

# **Minnehaha Avenue Retail Market Analysis**

**Prepared by  
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Research Assistant  
Conducted on behalf of Seward Redesign  
July, 2008**

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# Minnehaha Avenue

## Retail Market Analysis



6 July 2007





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# Foreword

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The Minnehaha Avenue Task Force formed under the direction of the Longfellow Community Council’s Neighborhood Development Caucus to promote revitalization on Minnehaha Avenue in the Longfellow, Howe and Hiawatha neighborhoods. Twenty-one task force members met over three months to identify revitalization strategies, build a community network connected to the avenue and recommend to LDC funding priorities for the avenue.

This report was created with three uses in mind: to support the Minnehaha Avenue Task Force’s effort by providing analysis and information; to serve as a resource for existing and potential businesspeople along the avenue; and to be a general reference for decisionmakers as an update to the 1999 Minnehaha Avenue Corridor Study.

This document and the task force’s report to LDC serve as complements to each other; the task force report is informed by this report while the task force shaped the development of this report. Still, this study retains the benefit of an external analysis of conditions along Minnehaha Avenue.

Research assistant Dan Patterson of the Center for Urban and Regional Affairs’ Neighborhood Planning for Community Revitalization at the University of Minnesota created the report with input from task force members over the course of their meetings. Seward Redesign oversaw the project with input from Longfellow Community Council staff. Seward Redesign provided much-appreciated guidance throughout the project’s life and arranged dissemination of the report.

Data were gathered from such sources as Environmental Systems Research Institute, Local Initiatives Support Corporation, the city of Minneapolis, Hennepin County, and the Census Bureau (sources are attributed throughout the document).

## TASK FORCE MEMBERS

Bonnie Alexander	Monica Brady	Sandra Colvin Roy
Patrick Connoy	Aaron Day	Brooke Dirtzu
Melissa Driscoll	Tim Haugen	Annie Hines
Brian Miller	Kris Nelson	Dan Patterson
Jan Pearson	Katya Pilling	Mary Rivers
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Dobrilla Stancevic	Pat Taylor	Emily Wergin



# Introduction

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Minnehaha Avenue is on the cusp of changes that could remake the reality and perceptions of its retail nodes. Neighborhood Revitalization Program and other grant money is available for corridor improvements. The Hiawatha Light Rail line just east of and parallel to Minnehaha, which was not in place the last time the corridor was the subject of a full planning effort, shows promise to reinvigorate nearby areas. Hennepin County plans significant rework of Minnehaha Avenue for 2011.

The Minnehaha Avenue Task Force has formed to build momentum for the introduction of neighborhood ideas, goals and plans to shape future efforts. This report is intended to inform the task force and community recommendations and plans, specifically regarding the retail market. The study also is hoped to contribute to Minnehaha Avenue businesses' decisions and activities, including expansion and recruitment of new businesses.

## MARKET AREA DEFINITIONS

The focus of this study is Minnehaha Avenue businesses between Lake Street and Minnehaha Park. The surrounding areas are split into three groups: primary market areas, secondary market areas and those areas outside the scope of this study.

Task force members adopted market area definitions slightly modified from the 1999 Minnehaha Avenue Corridor Study. The markets used for this study are geographically defined as depicted in Figure 2. One primary market area, encompassing much of the area from Highway 62 north to Franklin Avenue and from Interstate 35W to the Mississippi River except the northwest secondary market, is expected to contain a large majority of customers to the new Minnehaha Avenue. The two secondary market areas are treated as separate groups throughout this document because of their large differences in many study categories. The northwest secondary market is cut out of the primary market area from the intersection of Franklin and 35W to the intersection of 21st Avenue and 38th Street. The southeast secondary market area is in neighboring St. Paul's Highland Park neighborhood, bounded on the west and south by the Mississippi River, by Randolph Avenue on the north and Snelling Avenue on much of its east side.

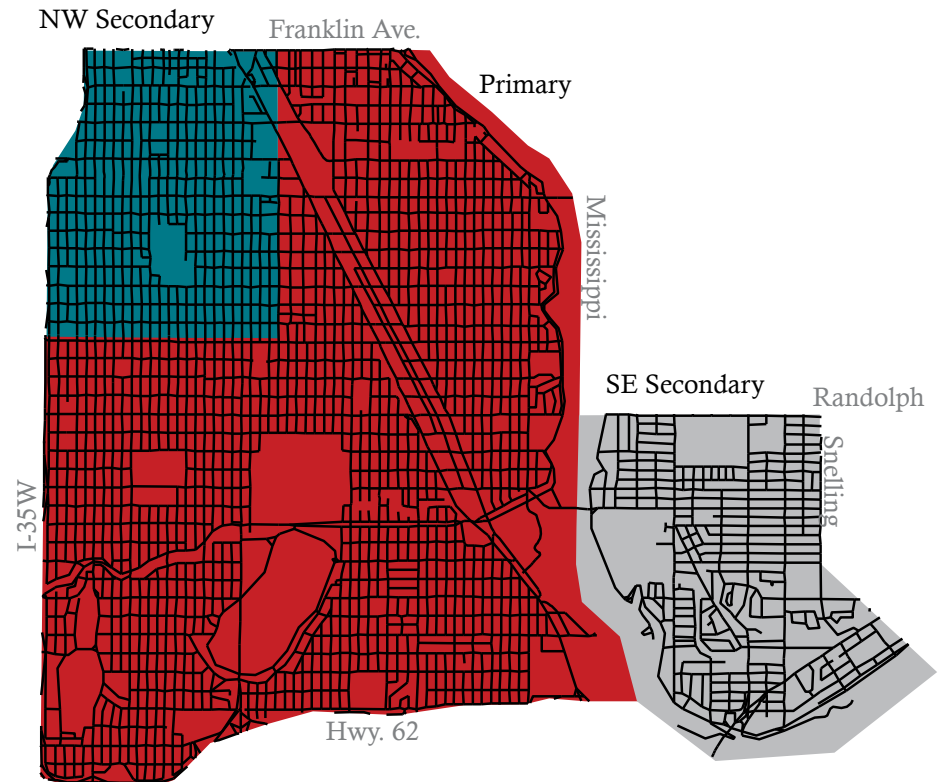
Part of the rationale of the three-market study is to not only gauge market conditions in each area, but also to compare the primary market with its near neighbors. Minnehaha Avenue businesses by definition draw fewer customers from the secondary market, but strong, niche retailers will draw people from afar.

This document is intended to serve not as a full plan for the corridor, but as a work that will inform the decisions and plans regarding the avenue. Its focus is on the business environment and economic characteristics of three surrounding market areas.

The document begins with an overview of demographics in the three market areas identified by the Minnehaha Avenue Task Force, including income, home value and spending habits. It then moves to discussion of existing businesses and market conditions. In closing, the document offers considerations and conclusions with which decisionmakers can work.

Included as appendices are: photographs of the nodes strung along Minnehaha Avenue; maps of property values and retail nodes; full tables of key data; definitions of the business classification used; and definitions of the Community Tapestry categories describing household types in the market areas.

The single most important function of this study is to determine which types of business markets have potential for growth along Minnehaha Avenue. Of course, this study cannot guarantee a business in a particular market will succeed or that demand for a particular type of business exists. Success will depend on individual business practices, current market forces and the host of other influences that ensure an uncertain business milieu.



**Figure 2:** The market area definitions are based on the 1999 study for continuity and to allow for comparison between this report and the 1999 work.

It is hoped this study will help the city, county, neighborhoods and potential Minnehaha business owners better understand the status of the area in the context of the Twin Cities and the nation.

# Minnehaha Avenue in 2007

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**J**ust as it was 40 years ago, Minnehaha Avenue south of Lake Street is a string of commercial nodes amid single- and multi-family housing. These neighborhood retail businesses typically occupy 2,000 square feet or less.

But much has changed in those intervening years. Much has changed in just the past eight years since the last time a plan for Minnehaha Avenue was developed. Light rail now serves the area. Businesses have changed. Residents have changed. Hennepin County expects to redo the avenue in 2011.

The 11 nodes along the corridor serve as a commercial focal point for surrounding neighborhoods while simultaneously acting as a gateway into the largely residential communities.

At present the news along Minnehaha Avenue is mixed. Task force members have described the avenue as an area that has fallen into disrepair in comparison with surrounding neighborhoods. As part of multiple neighborhoods' boundaries separating single-family housing to the east and industry to the west, the avenue has been

seen as an orphan; neighborhoods might claim one or a few nodes, but task force members noted a lack of cohesive, sustained effort to improve Minnehaha Avenue businesses and properties.

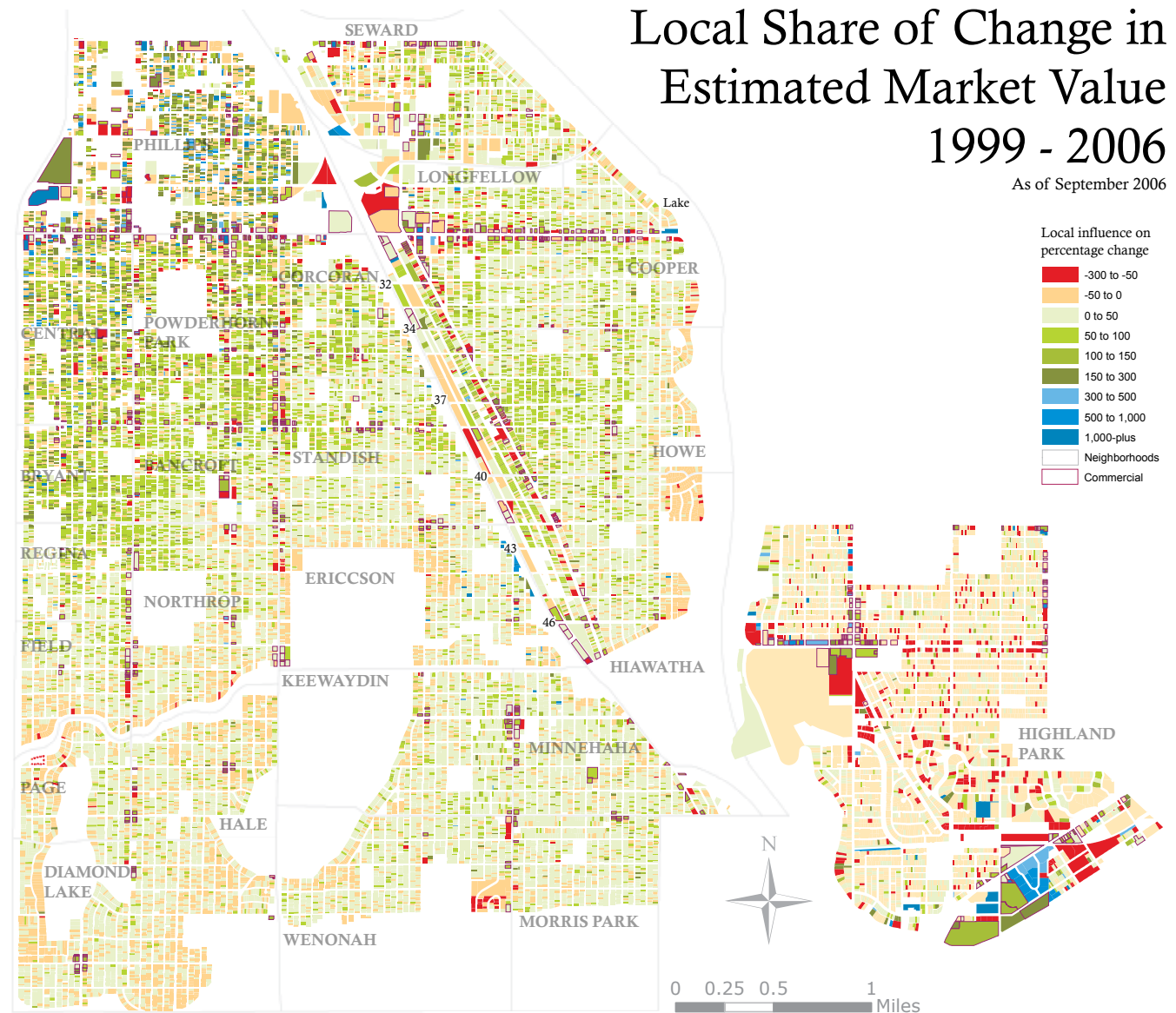
Some dilapidated buildings, increased perception of crime (founded and unfounded) and a roadway itself that is over the hill have contributed to a sense that Minnehaha could do better. Meanwhile, reinvestment in key properties such as what is now Rail Station Bar and Grill, Minnehaha Coffee and other buildings — along with reasons for hope described in the introduction — hint that Minnehaha is on an upswing.

Minnehaha's development is expected to be closely linked to property values along the corridor. There is a sense among task force members that some business and property owners are simply biding the time until someone shows interest in purchasing their property at a price that will create considerable profit for the current owner.

Residential property values along the avenue and in the market areas

indeed increased at a greater pace than the statewide average between 1999 and 2006, a time when property values increased dramatically across Minnesota. Commercial property (purple border) along Minnehaha did not fare as well as residential property did, but it did in many cases outperform the statewide average and nearby Lake Street businesses.

Figure 4 hints that the time for commercial development along Minnehaha Avenue might be approaching. Residential estimated market values increased more rapidly along Minnehaha near the 38th Street light-rail station. There are too few commercial properties to identify a clear pattern among those properties, and with limited resources devoted to this project. Increased estimated market values near Minnehaha suggest businesses could find it worthwhile to invest in improvements, and if they do not, a willing buyer might surface



Source: Hennepin County, Ramsey County, Minnesota Department of Revenue Limited Market Value Reports

**Figure 4:** This map normalizes each parcel's change in estimated market value to the average rate of change for each land use category as reported by the state of Minnesota; the numbers in the key indicate percentage point deviation from the statewide land use average. For example, if a parcel's EMV increased by 150 percent but the average was 190 percent, the value on this map would be -40 percent.



to invest in the area.

Although known for its commercial nodes, Minnehaha corridor land use remains primarily residential. The housing stock and commercial properties are deeply linked — well-maintained, appealing housing attracts residents who become customers, and attractive commercial encourages investment in the surrounding neighborhood.

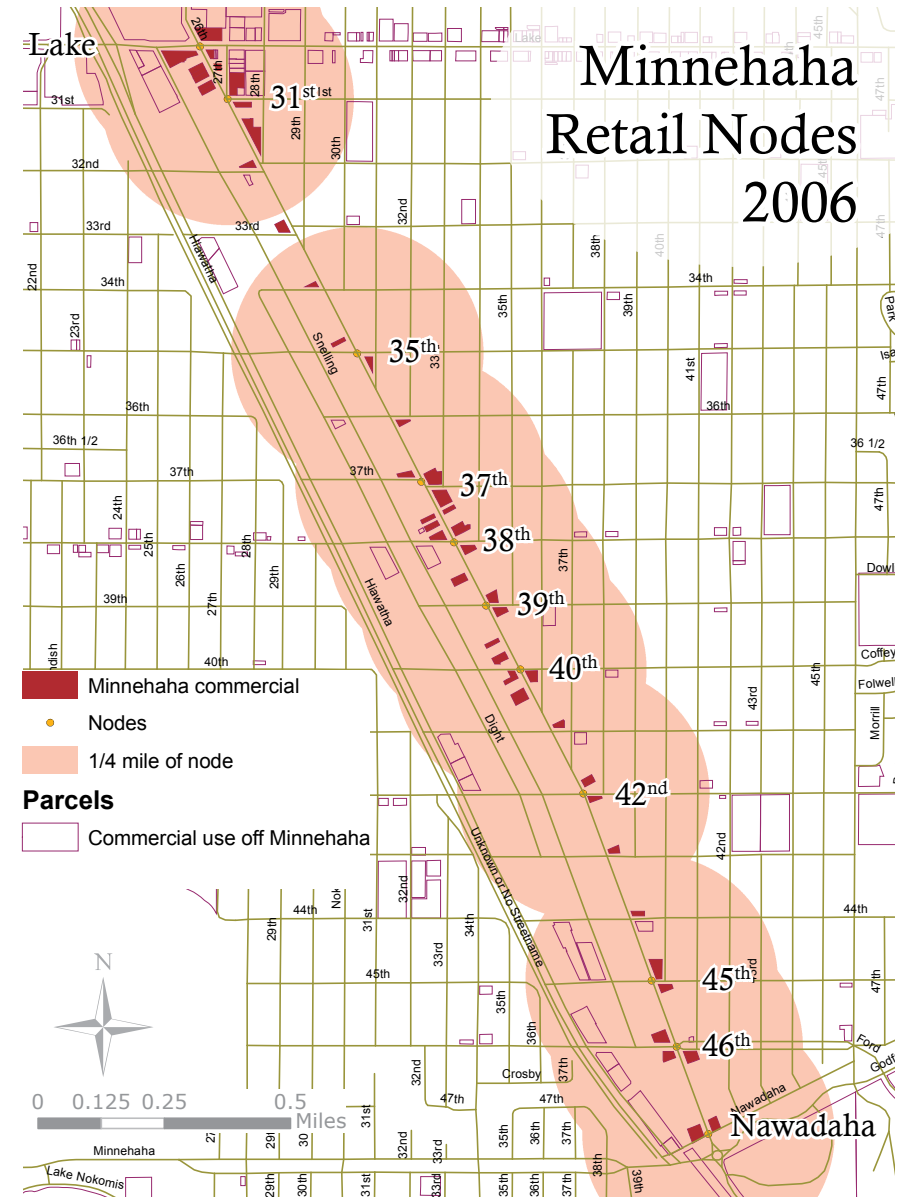
## NODES

Commerce along Minnehaha Avenue between Lake Street and Minnehaha Falls Park is arranged in about 11 nodes (assuming a node consists of more than one commercial property at the intersection). Each node stands to gain from the cultivation of an identity and reputation as part of the larger Minnehaha Avenue.

Photographs and landowner information of some node businesses are included in Appendix E.

The nodes identified in this study are at the intersection of Minnehaha Avenue and:

<i>Lake Street</i>	<i>31<sup>st</sup> St.</i>	<i>35<sup>th</sup> St.</i>	<i>37<sup>th</sup> St.</i>
<i>38<sup>th</sup> St.</i>	<i>39<sup>th</sup> St.</i>	<i>40<sup>th</sup> St.</i>	<i>42<sup>nd</sup> St.</i>
<i>45<sup>th</sup> St.</i>	<i>46<sup>th</sup> St.</i>	<i>Nawadaha</i>	



Source: Hennepin County

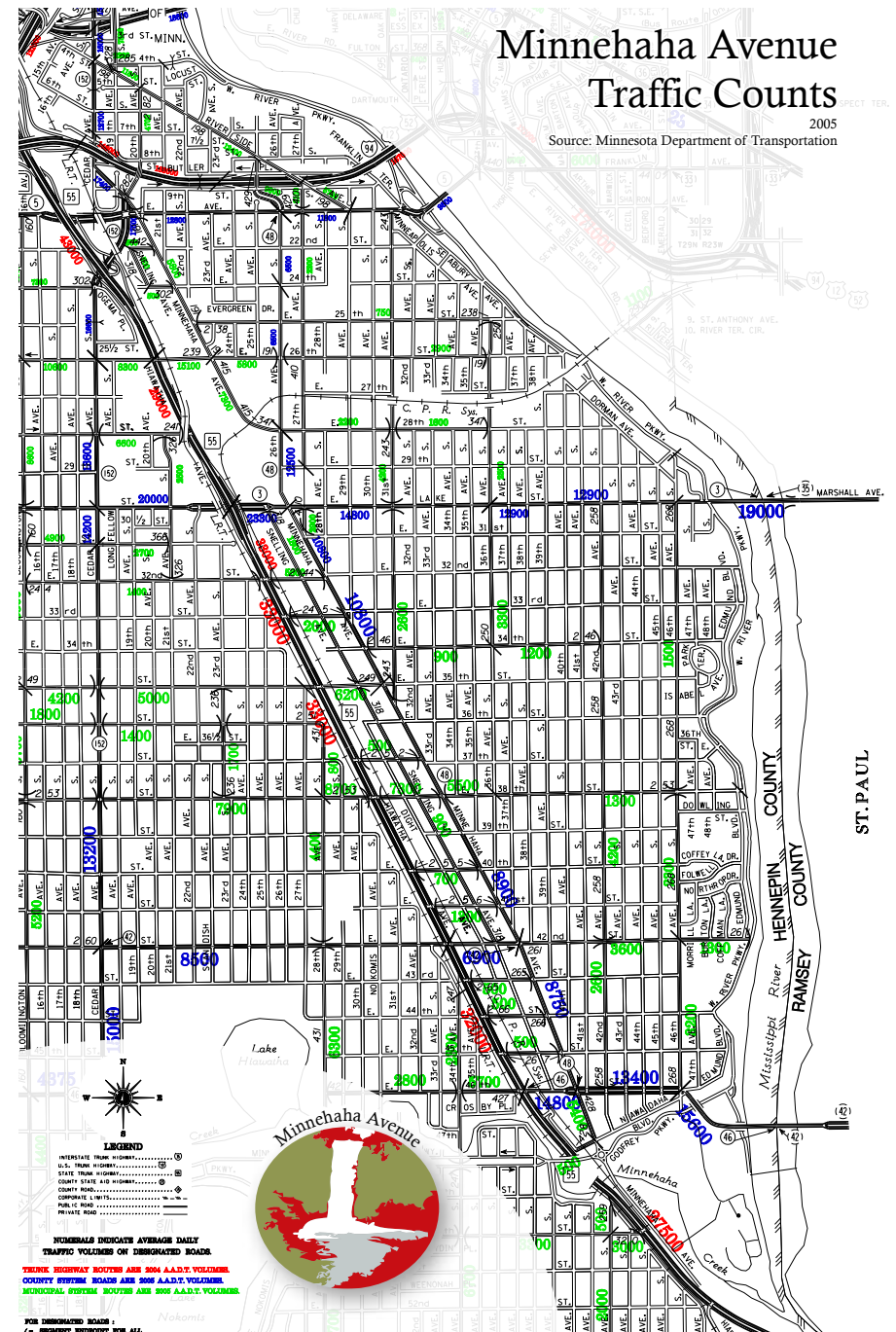
**Figure 5:** Minneapolis listed 44 parcels with Minnehaha addresses as commercial in 2006. The greatest concentration of business is between 37<sup>th</sup> and 40<sup>th</sup> streets.

## Transportation

Minnehaha Avenue has become known in the metro area as a bypass of sometimes congested Hiawatha Avenue, leading to increased traffic on the avenue. Minnehaha is classified as an A-minor reliever, which the Metropolitan Council defines as a road “more regionally significant than others” that provides relief for highway traffic when congested and accommodates trips of less than 8 miles; improvement on these roads is focused on increasing capacity for through traffic.

Each node is served by MetroTransit bus Route 27, which runs the length of Minnehaha Avenue south of Lake Street, and connects the corridor with the rest of the metropolitan transit system. Route 27 runs along Minnehaha from 46<sup>th</sup> Street to 42<sup>nd</sup> Street. The corridor also is served by dedicated bike lanes in the wide right of way. The periodic bus stops hark back to the days when the streetcar line created the commercial nodes.

Minnehaha has potential to capitalize on its transit service and especially its bike lanes. Distances between the nodes restrict walkability between nodes but are an appropriate distance to promote biking with such programs as a “Bike Minnehaha” initiative. Its history as a streetcar line that has retained some of its business opens doors to other marketing opportunities, including promotion through the Hiawatha Line.



The Hiawatha Line is exerting significant influence on Minnehaha Avenue as formerly industrial sites are converted to higher-density residential and mixed use to take advantage of convenient transportation. Minnehaha is in position to enhance its reputation as a gateway to Longfellow neighborhoods and draw new residents and their business into the community.

The Metropolitan Council reports the light rail line as a whole carried 9.4 million passengers in 2006 — that's millions of potential customers within walking distance of Minnehaha and its neighborhoods, if only the businesses offer something they'll buy and the riders find out about it. Minnehaha, if in a condition below that of the neighborhoods to the east, can be a liability that gives neighborhood visitors a bad first impression.


Minnehaha Avenue's role as a gateway to the community is likely to become more pivotal as drivers bypass Hiawatha Avenue and its traffic for the relatively calm Minnehaha. Mn/DOT reported that in 2006 Minnehaha carried more than 25 percent of vehicular traffic in the Hiawatha/Minnehaha corridor. For those who don't venture east of Minnehaha, the avenue creates their perception of "this part of town."

Minnehaha Avenue businesses and residences are the face of the Longfellow Community for the 33,000 motorists who drive Hiawatha Avenue and 29,000 (total for the line) passengers who take the light rail line on a typical day. Neighborhood residents often identify with and define themselves by commercial districts, which inject social interaction into daily life and build community. A healthy commercial district inspires investment and identity among its neighbors.



# Demographics

## *Community Tapestry*

 Cliché holds that the most successful entrepreneur's follow a hunch and carve out a niche where others had failed to see potential. We do not hear about those who followed their hunch to a dead end.

In some respects the community tapestry acts as a generalization that can be as insightful as a well-played hunch. The tapestry, produced by ESRI based on demographics and financial data, produces a lifestyle story we can all grasp. We know people just like those described in the 65 segments and can associate likely buying habits with these characterizations. Simultaneously we know these stereotypes cannot come close to fitting even a fraction of the community members. Still, these broad segments give us something to hold onto in a community we cannot know 100 percent.

### **METHODOLOGY**

The tapestry profile included in this report is entirely a product of ESRI. As a private, for-profit company, ESRI does not reveal a great deal of how it assigns communities to segments.

In short, the company says it bases its groups primarily on census information, its own demographic projections, Acxiom Corporation data, Mediamark Research and Doublebase 2004. About 60 criteria

influence group assignment, including income, age, employment, education and housing types. ESRI assigns tapestry segments to entire block groups at a time because of privacy restrictions on census data and other data. For this reason, a 65-year-old woman living in a block group dominated by college students would be counted as having the characteristics of a college student. The tapestry operates in a fashion similar to the federal electoral college, in which a winner takes all within each geographic district.

The relatively low resolution of the tapestry combined with the small study area creates the appearance of large blocs of consumers where in reality the market is much more diverse. Even so, the tapestry lets us wrap our minds around the market.

### **PRIMARY AND SE SECONDARY MARKET AREAS**

ESRI's focus on regional market areas creates the problem of tapestry segments defined largely by their living in a large metropolitan area. Still, this does offer some basis for very general impressions of the market areas that can shape what information a business might want to probe in seeking a customer base.

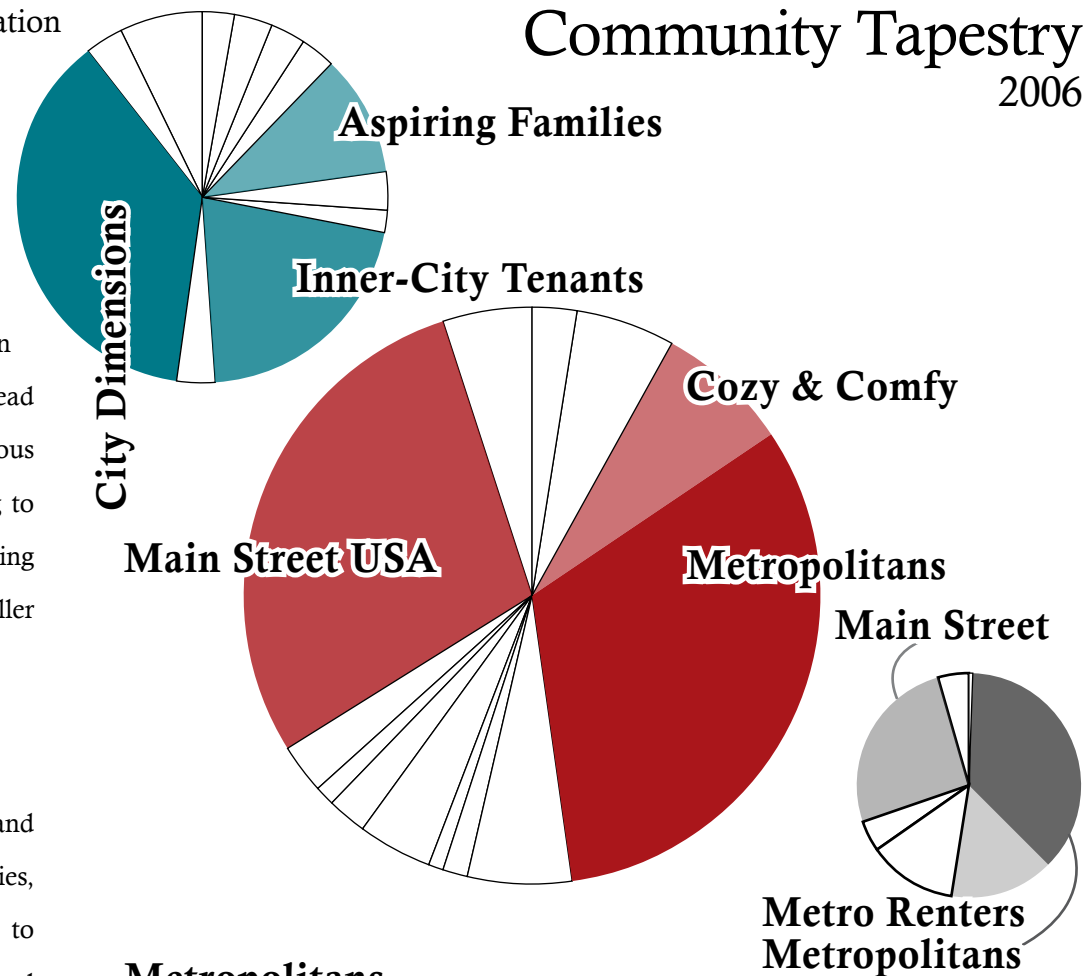
Metropolitans and the Main Street U.S.A. crowd dominate the

primary market area with more than 60 percent of the population between the two of them. ESRI describes Metropolitans as:

“[R]esidents [who] favor city living in older neighborhoods. Approximately half of the households are composed of singles who live alone or with others. However, married-couple families are 40 percent of the households. The median age is 37.1 years. Half of employed persons hold professional or management positions. These neighborhoods are an eclectic mix of single-family homes and multiunit structures. Residents lead busy, active lifestyles. They travel frequently and participate in numerous civic activities. They enjoy going to museums and zoos and listening to classical music and jazz on the radio. Refinishing furniture and playing a musical instrument are favorite hobbies. Exercise includes yoga, roller blading, and hiking/backpacking.”

#### Main Street USA:

“Main Street USA neighborhoods are a mix of single-family homes and multiunit dwellings found in the suburbs of smaller metropolitan cities, mainly in the Northeast, West, and Midwest. This market is similar to the United States when comparing household type, age, race, educational attainment, housing type, occupation, industry and household income type distributions. Active members of the community, residents participate in local civic issues and work as volunteers. They take care of their lawns and gardens and work on small home projects. They enjoy going to the beach and visiting theme parks as well as playing chess, going bowling or ice skating and participating in aerobic exercise.”



#### Metropolitans

Median age: 37.1  
 Median home value: \$194,000  
 Enjoy: Museums, zoos, classical music, jazz, refinishing furniture, playing musical instruments, yoga, roller blading, hiking

#### Main Street USA

Median age: 36.3  
 Median home value: \$190,000  
 Enjoy: Civic issues, volunteering, lawn care, visiting the beach, theme parks, chess, bowling



## NORTHWEST SECONDARY MARKET AREA

Metropolitans and Main Street USA members, who composed a majority of the other two market areas, account for just 10 percent of the northwest secondary market area. Here City Dimensions and Inner-City Tenants form a majority, with about 60 percent of the population included therein.

### City Dimensions:

“Diversity in household type and ethnicity characterize City Dimensions neighborhoods that are located in large, urban cities. Population density remains high, with approximately 2,900 people per square mile. This market is young, with a median age of 29.0 years. Nearly 63 percent of households rent; more than half are apartments in multiunit structures. Many households lease their vehicles, preferring Mercury or Ford models. Residents shop at BJ’s Wholesale Club, Kmart, Marshalls and T.J. Maxx. They enjoy roller skating, playing soccer and chess, attending auto races and shows, going to the movies, and renting movies on DVD (especially classics, horror and science fiction). Video game systems are also popular.”

### Inner-City Tenants:

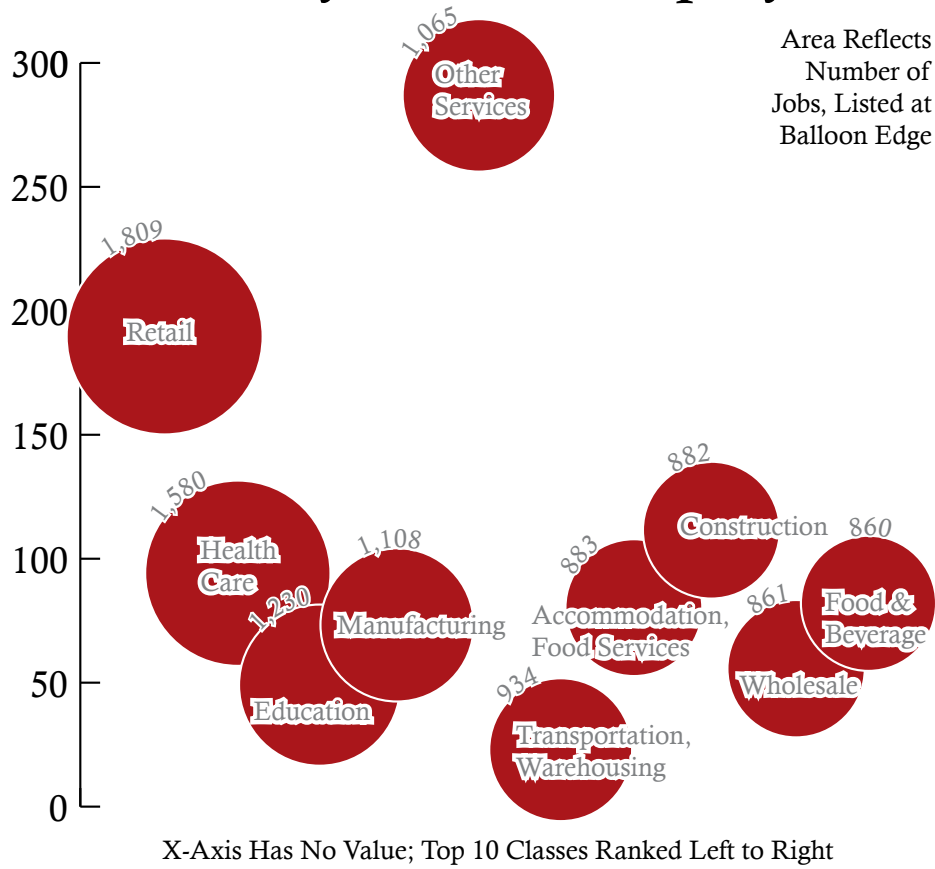
“Inner City Tenants neighborhoods are a microcosm of urban diversity, located primarily in the South and West. This multicultural market is young, with a median age of 27.8 years. Households are a mix of singles and families. Most residents rent economical apartments in mid- or high-rise buildings. Recent household purchases by this market include video game systems, baby food, baby products and furniture. Internet access at home is

not typical; those who have no access at home surf the Internet at school or at the library. Playing games and visiting chat rooms are typical online activities. Residents frequently eat at fast-food restaurants. They enjoy going to the movies; attending football and basketball games; water skiing; and playing football, basketball and soccer. Some enjoy the nightlife, visiting bars and nightclubs to go dancing.”

Appendix A includes definitions of all community tapestry groups found in the three market areas.

Occupation can reveal much about an area. Figures 8A and 8B illustrate the 10 largest occupation descriptions of those who are employed. Health care is a prominent player in each market area, especially so in the southeast market area, where six times as many people work in the health care field as in the next largest group, retail. The figures also touch on economic diversity in the market areas, but their interpretation will not be made in this report. In general, however, a healthy economy has an array of employment sectors and establishments. The Y-axis of the figures depicts the number of establishments in each sector (the center of the balloon reflects the establishment number).

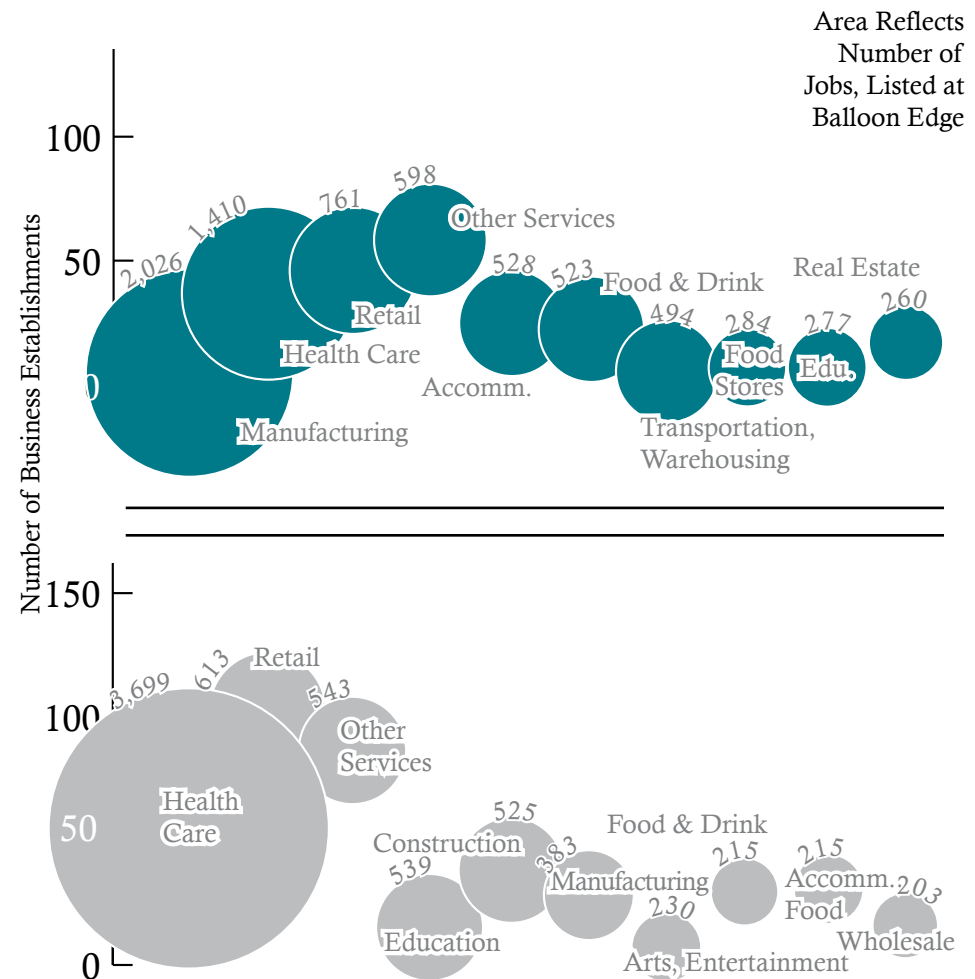
## Primary Market Employment



SOURCE: ESRI, INFOUSA

**Figure 12A:** The primary market area has a solid mix of employment, with roughly comparable employment numbers distributed among the top 10 employment groups.

## Secondary Market Employment



SOURCE: ESRI, INFOUSA

**Figure 12B:** Health care is king in the southeast secondary market area, and it plays a big role in northwest employment as well. These jobs generally are desirable, with good pay, relatively reliable employment and large potential for growth.



# Demographics

## Population Structure



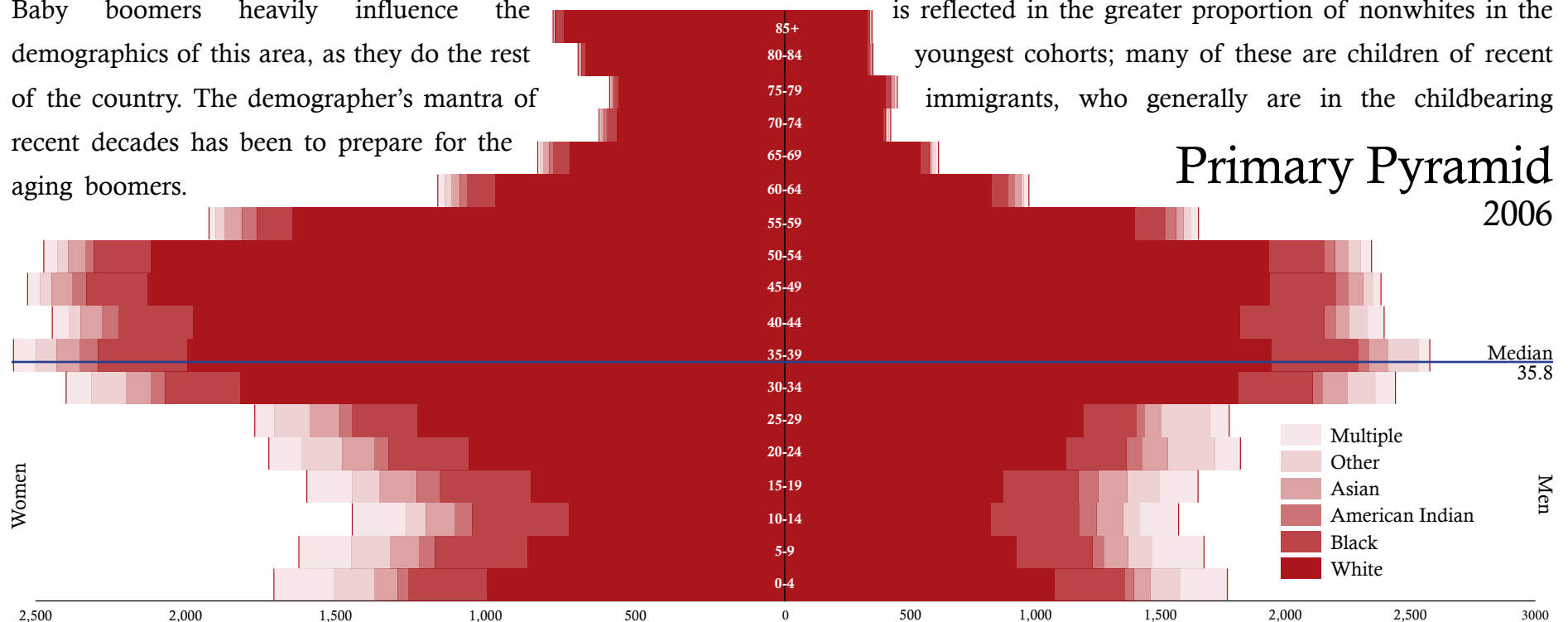
The most important part of any business market is its customers. This portion of the document examines what groups are in the three market areas and how they have changed and how they are expected to change.

### PRIMARY MARKET PYRAMID

Baby boomers heavily influence the demographics of this area, as they do the rest of the country. The demographer's mantra of recent decades has been to prepare for the aging boomers.

It is no different in this area. This group typically has a greater disposable income and, as its members retire, more time to spend as well.

Also important in this market is the diversification. Nonwhite Minnesota women have a lower birth rate than nonwhites. This is reflected in the greater proportion of nonwhites in the youngest cohorts; many of these are children of recent immigrants, who generally are in the childbearing

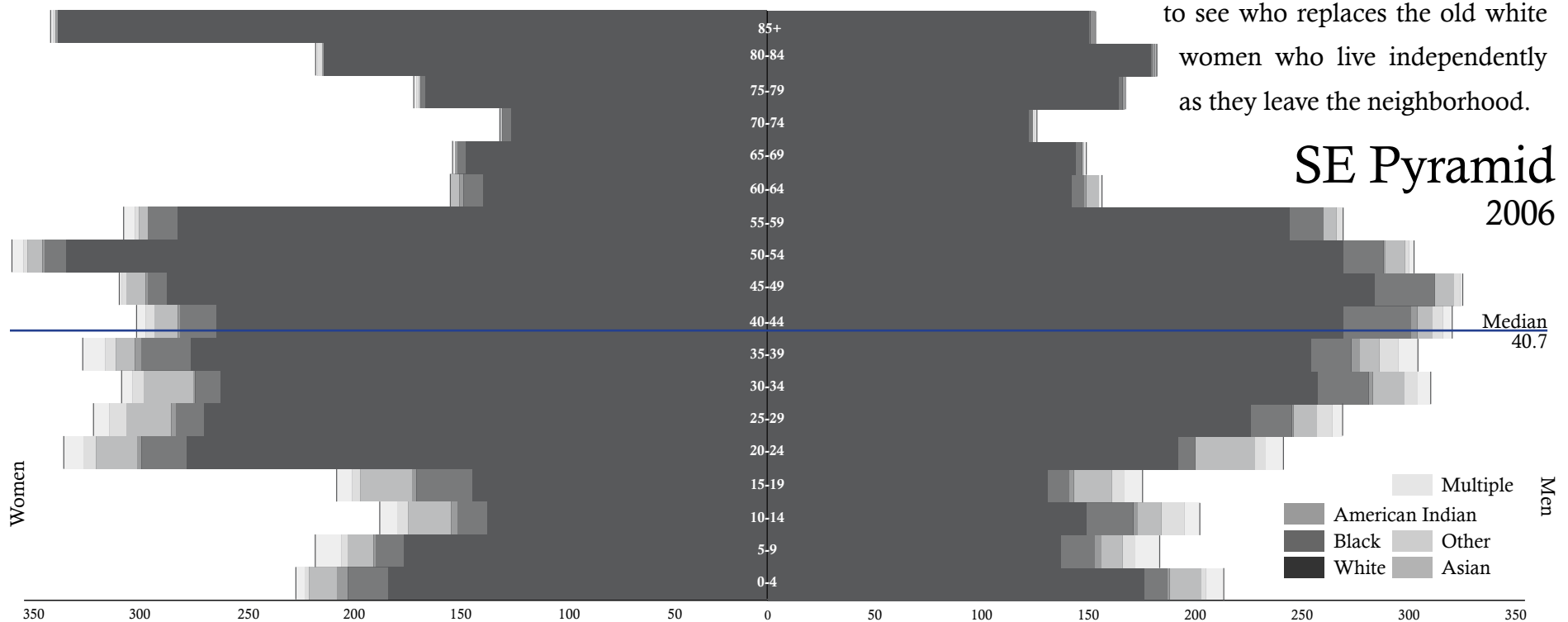


**Figure 13:** The younger a primary market customer is, the more likely he or she will be nonwhite. Notable is the relatively narrow waist around ages 10-14, when parents are more likely to be financially stable and perhaps have taken the family to the suburbs.

15- to 40-year-old bracket. If many of the people currently in the market area remain there over the coming years, the area's diversity will increase noticeably. Businesses that cater to specific ethnic groups likely would find increased customer potential in the primary market area.

## SE SECONDARY MARKET PYRAMID

This market's population pyramid has characteristics of one from Japan or Italy; lots of older people, especially in this case white women 85 or older.



**Figure 14:** The younger a primary market customer is, the more likely he or she will be nonwhite. Notable is the relatively narrow waist around ages 10-14, when parents are more likely to be financially stable and perhaps have taken the family to the suburbs.

The pyramid shares the baby boom wave of the aforementioned societies, here there is a steep cliff from the 55-59 cohort to the 60-64, from 569 to 364. Retirement might also contribute to this cliff. Surely a few people at this traditional retirement age have left for warmer weather or have cashed in their home equity and moved away now that short work commutes no longer are important to them.

In contrast with the other market areas, this market is overwhelmingly white and almost exclusively so beyond age 60. It will be interesting to see who replaces the old white women who live independently as they leave the neighborhood.

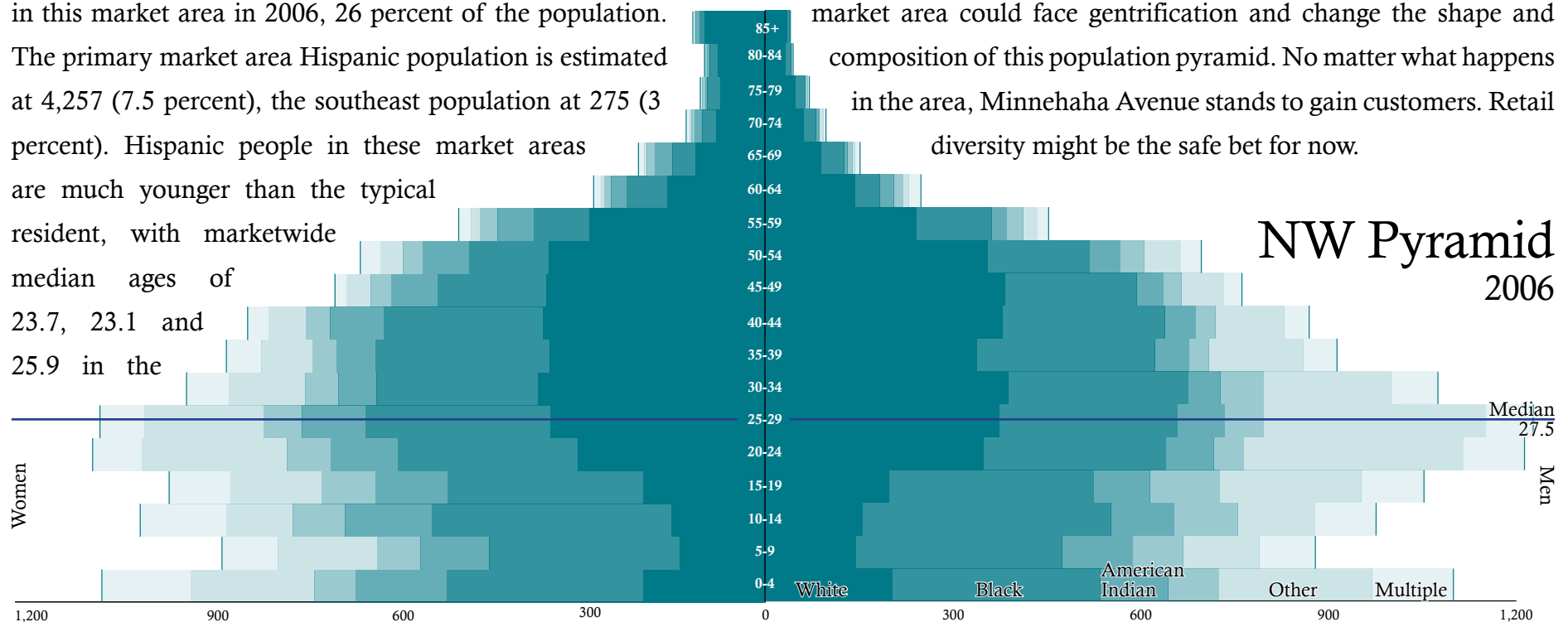
## NORTHWEST SECONDARY MARKET PYRAMID

The northwest pyramid looks strikingly like one from a developing nation: comparatively few older people, and a wide base of children. This market is younger than the primary or other secondary and is composed of more young parents with their children.

A reader familiar with the Lake Street area of this market might remark there is no Hispanic category in this graphic. Hispanic people can be of any race and are included in this pyramid in their self-identified categories. ESRI estimates 5,758 Hispanic people lived in this market area in 2006, 26 percent of the population. The primary market area Hispanic population is estimated at 4,257 (7.5 percent), the southeast population at 275 (3 percent). Hispanic people in these market areas are much younger than the typical resident, with marketwide median ages of 23.7, 23.1 and 25.9 in the

primary, northwest and southeast market areas, respectively. This younger population will have different wants and needs than other households, and is a sizeable portion of the overall market.

The northwest secondary market area has seen much improvement in its crime rates, housing stock and investment over the past 15 or so years, reflected in sometimes rapidly increasing property values that increase the cost of living. If projections of increased demand for urban living from baby boomers and millenials pan out and these age groups discover the area's excellent location, the northwest market area could face gentrification and change the shape and composition of this population pyramid. No matter what happens in the area, Minnehaha Avenue stands to gain customers. Retail diversity might be the safe bet for now.

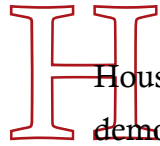


**Figure 15:** The younger a primary market customer is, the more likely he or she will be nonwhite. Notable is the relatively narrow waist around ages 10-14, when parents are more likely to be financially stable and perhaps have taken the family to the suburbs.



# Market Analysis

## *Household Spending*



Household spending in the three market areas reflects the different demographic groups described earlier in this report. The more affluent primary and southeast secondary groups can afford to spend more than the national average on investments, pets and airfare. All three market areas share top-10 indices (Table 14) in child care; movies, theater, ballet and opera admissions; and apparel products and services (defined as material for making clothes, sewing patterns, shoe repair, dry cleaning, laundry and tailoring). The more mobile, more likely to rent and lower-income northwest secondary market area spends more relative to the national average on moving expenses, electronics (including DVD rental) and food.

All three market areas' households spend less than half of the national average on shoes and telephones. The northwest spends 30 percent and 32 percent of average, respectively. Clothing also is a lower-priority for households in all three market areas.

The old adage that you can make statistics say anything you want applies here. High indexed spending relative to other categories within the market area could be interpreted as an indicator of consumer habits. This high spending could also mean consumer demand in this particular market area are being met.

Spending habits are particular to households. Certainly there could be plenty of households spending enough in a particular category to support new businesses, but this might be obscured by underspending by other households or by the effects of where market boundaries were drawn.

### **METHODOLOGY**

The spending potential index represents household spending in the market areas based on the national average. Neither the Bureau of Labor Statistics nor ESRI, the sources of this information, weights the index by household income; that is, the higher-income southeast secondary market area is not compared exclusively with other high-income areas. Wealthier people will spend more money on just about everything — two areas' indices cannot be directly compared to arrive at what one area's households prefer; one might just have more to spend.

Data in this section are derived from Bureau of Labor Statistics consumer expenditure surveys of 2001, 2002 and 2003 and are estimated for 2006 values and trends.

# Highest Indices of Annual Household Spending

SOURCE: ESRI

	Average			Average			Average	
	Goods or Services	Index	Spending	Goods or Services	Index	Spending	Goods or Services	Index
Primary	Apparel Products, Services	141	\$208	Apparel Products, Services	165	\$243	Apparel Products, Services	118
	Investments	110	5,140	Investments	123	5,727	Moving, Storage	86
	Movies, Theater, Opera	107	158	Moving, Storage	122	64	Video Rental	80
	Pets	106	439	Movies, Theater, Opera	120	177	Videotapes, DVD Purchase	78
	Recreational Lessons	106	134	Child Care	116	481	Electronics Rental, Repair	78
	Auto Rental on Trips	106	48	Pets	116	480	Movies, Theater, Opera	77
	Fees, Admissions	105	641	Airfare	116	458	Video Games and Systems	77
	Child Care	105	438	Watches and Jewelry	116	217	Fruit and Vegetables	74
	Airfare	105	412	Auto Rental on Trips	116	52	Child Care	74
	School Supplies	105	123	Fees, Admissions	115	700	Bakery and Cereals	73
	Sporting Events	105	60	Sporting Events	115	66	Food Away From Home	73

**Table 18:** The spending potential index is a measure of what households spend compared with the national average (100). Lower household incomes in the northwest secondary market area result in all but one spending category below the national average.

## PRIMARY MARKET SPENDING

This group has money to spend in areas not commonly regarded as primary needs. Movies and theater, pets, recreational lessons, airfare: with the exception of movies and theater, none of these categories appear in the top indexed spending of the northwest secondary market, whose 2006 annual household income is \$21,000 less (\$57,110 compared with \$36,269).

The types of categories at the top of the list reinforce generalizations from the Community Tapestry report. The same criteria that determine tapestry groups influence spending habits, so in some ways household spending and tapestry segments are redundant.

Comparisons of categories within the market area create a different picture from category comparisons to national household spending (the index). It is more helpful to consider that primary market households spend more on pets relative to national spending when compared with a general baseline of how they spend overall. Pets, in this case, are an important spending area for households as illustrated by their high index position relative to other categories.

Primary market households invest at a rate 10 percent greater than the national average; this amounts to about \$470 a year, not an insignificant amount, especially when considering these are marketwide averages.

Goods or Services			Average		Lowest Indices of Annual Household Spending						
	Index	Spending				SOURCE: ESRI					
Primary	Shoes	40	\$201	SE Secondary	Shoes	45	\$225	NW Secondary	Shoes	30	\$151
	Telephones, Accessories	42	24		Telephones, Accessories	47	26		Telephones, Accessories	32	18
	Women's Clothing	68	636		Women's Clothing	76	711		Sports, Exercise Equipment	48	109
	Sports, Exercise Equipment	75	168		Sports, Exercise Equipment	81	182		Recreational Vehicles	49	199
	Men's Clothing	79	406		Housewares	88	91		Women's Clothing	49	451
	Housewares	80	82		Men's Clothing	88	454		Maintenance Materials	50	182
	Children's Clothing	84	373		Children's Clothing	92	410		Maintenance Services	51	905
	Recreational Vehicles	89	365		Recreational Vehicles	95	387		Lawn and Garden	52	227
	Prescription Drugs	89	508		Lawn and Garden	99	431		Home/Renter Insurance	52	231
	Satellite Dishes	92	2		Prescription Drugs	99	565		Housewares	54	56
Lawn and Garden	92	399	Satellite Dishes	100	2	Mortgage Payments	54	4,385			

**Table 19:** Relatively high incomes in the primary and southeast secondary markets create few indices far below 100. The northwest secondary market, which has more renters than the other market areas, reflects different lifestyles and spending priorities.

Primary market households, like those of the secondary markets, do not spend much on shoes or clothing, but they do spend more than average on such related items as laundry and shoe repair. Again, this fact is subject to multiple interpretations. One business might see opportunity for growth in the market while another might consider its business on the whole incompatible with household spending habits. (The caveat again: These averages do not create a full picture of whether there is sufficient demand to support particular business types; only past spending is estimated here.)

## NORTHWEST AND SOUTHEAST SECONDARY MARKETS

The northwest and southeast market areas diverge in comparison with the primary market. Many of the 10 lowest southeast indices are greater than many of the northwest's 10 highest (albeit in different categories). Much of this can be explained by the older southeast market resident (median age 41 southeast, 28 northwest) and income disparity (\$57,000 median household income southeast, \$36,000 northwest).

Southeast households have more to spend on each category and can afford more luxuries, such as jewelry (spending potential index 116 compared with northwest's 70 in the same category).





# Market Analysis

## *Leakage and Surplus*

Behind who lives in a market area in importance is what they are spending money on where. This portion of the study examines those questions on a broad basis, broken again into the three market areas. First, a rundown of methods and concepts.

### METHODOLOGY

The basis of this type of study is the definition of a market's bounds and determining what goods and services are entering or leaving the market and at what value. Two concepts attempt to get at this information, leakage and surplus. These are not direct measures of what is crossing a market's borders; they are based on what households in a market are spending within a sector compared with what businesses in the area take in. Money consumers spend outside their area is said to be leaking from the market and supporting another; money businesses report taking in above what consumers in the area are spending is a surplus entering from other areas.

The utility of this information is in identifying what leakage a business might be able to capture in an area. In this case, what business might be recruited for Minnehaha Avenue to give market area residents a shopping option nearer their home and harness more money from outside to benefit the very local economy.

An area running a surplus in a sector is bringing money into the community from outside. The market likely has specialized in a type of business or a few large businesses are drawing customers from a larger region. Minnehaha could benefit from increased support for a fledgling specialization or to publicize a strong specialization.

The information for this part of the study was obtained from Environmental Systems Research Institute, a for-profit enterprise best known for its geographic information systems software. The company sells a Retail MarketPlace Data product based on information from the Bureau of Labor Statistics, infoUSA, the Census Bureau and its own demographic data. Market sectors are broken down to three- and four-digit North American Industrial Classification System codes (information presented here is to the four-digit level). This information was gathered from ESRI with the support of the Local Initiatives Support Corporation's Twin Cities office.

Leakage and surplus are expressed here in two terms: percentage of the market sector and total dollar value. The expressions are useful in different examples. Take clothing stores (see Figure 18 on the following page) compared with electronics retailers; 84 percent of

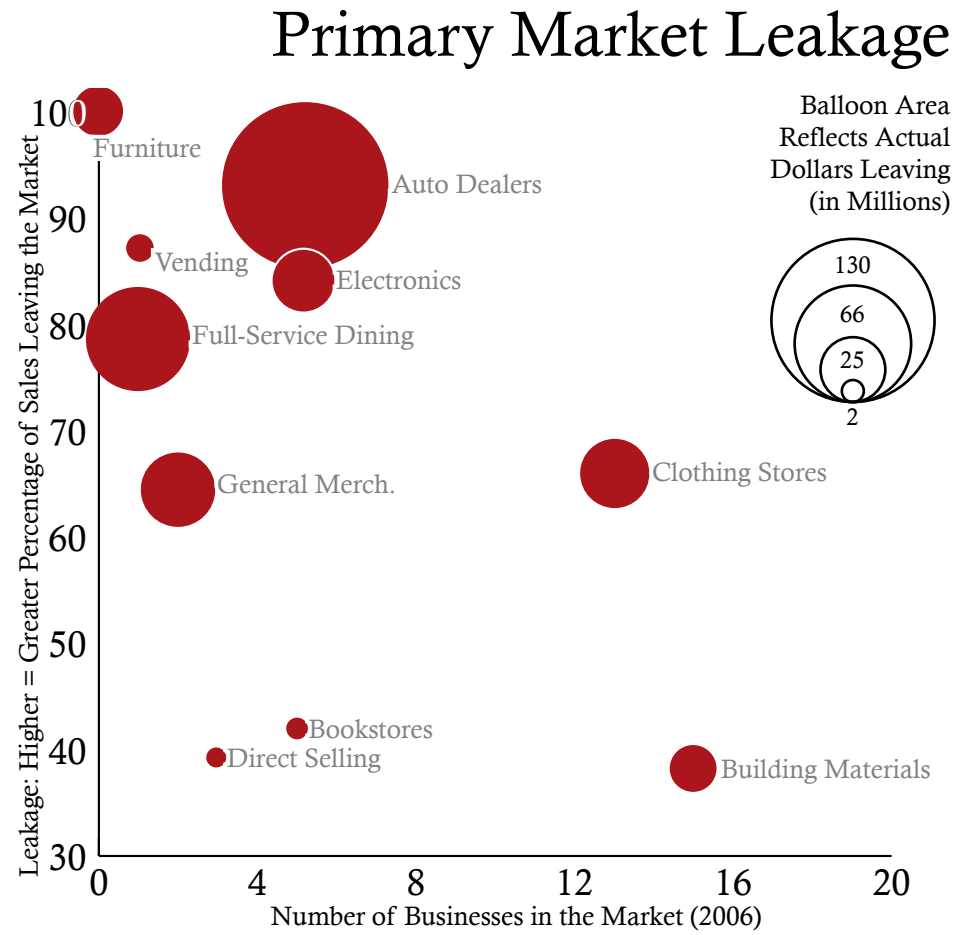
primary market area residents' spending on electronics is leaving the area, adding up to \$19.2 million escaping the market — \$3.3 million less than what's leaving the clothing sector, which by percentage (66 percent) trails electronics' leakage. Minnehaha Avenue might benefit most from a high-dollar value sector entering and target those businesses for recruitment. Businesses already operating in specific sectors might pay more attention to the percentage of spending that is leaving, as they typically operate within one sector.

## PRIMARY MARKET LEAKAGE

The most immediate potential within sectors as identified in this report is illustrated by Figure 18. Of the top 10 sectors in terms of percentage, the most potential money to capture along Minnehaha Avenue is in the automobile sales sector.

This does not imply that automobile dealerships would be the most desirable or best fit for Minnehaha Avenue. It might be entirely appropriate that market area residents are leaving the area for some purchases. The same is true for other sectors; the market area is a small piece of a larger market easily entered by Minnehaha area residents. Specialization in general is good for an economy. Part of the intention of this report is to help the community identify where it could benefit from its own specialization.

Looking at leakage, Minnehaha should consider what business sectors are compatible with or desirable for the corridor yet are



SOURCE: ESRI, INFOUSA

**Figure 22:** The top 10 primary market leakage businesses, 2006. An entrepreneur might use such information to decide, for example, that Minnehaha residents are leaving the area to buy furniture (leakage) and there is not one furniture store in the market (X-axis), leaving about \$12 million to intercept before it leaves the area.

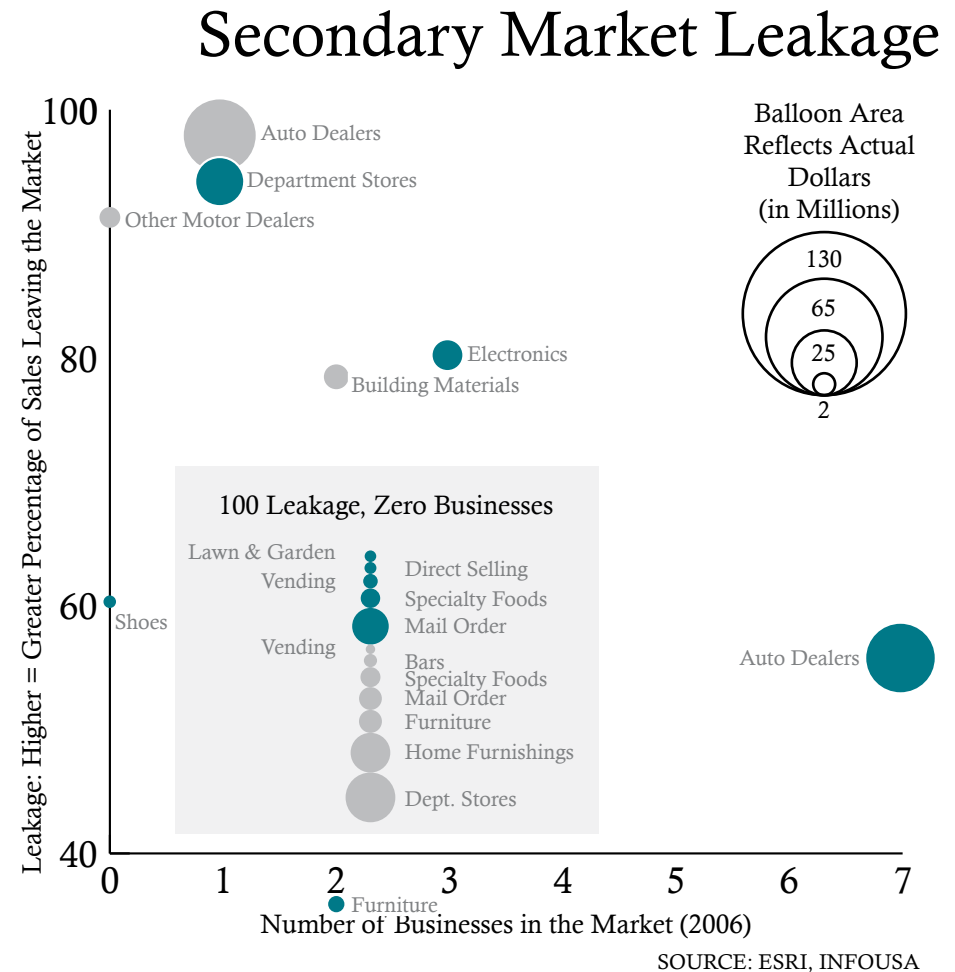
experiencing leakage. Figure 22 shows the top 10 leakers by percentage.

## NW AND SE SECONDARY MARKET LEAKAGE

The secondary markets are more difficult to assess. They are by definition more on the fringe of the potential Minnehaha market and have other choices for neighborhood retail the corridor offers. Confounding what to make of the information is that these secondary areas have fewer people and are primarily residential. Further still, where the leakage flows to is unknown; existing leakage might already be captured by Minnehaha.

For some sectors, a cross-check with leakage from the primary market area reveals Minnehaha likely is not capturing that particular secondary leakage. For example, the electronics sector shows leakage in both the primary and southeast markets. While there is sure to be mixing of customers between the markets, the primary area likely is not attracting a great deal of shoppers from the secondary. If the electronics retailers in the primary market were sucking customers out of this secondary market, it likely would be closer to zero on the leakage scale.

An approach to take with this information is to consider that residents of these market areas are willing or forced to leave for the goods and services listed in Figure 23. A business could examine which sectors are leaking from the secondary markets and compare that information with local knowledge of where shoppers are traveling to buy in that sector. Perhaps the most effective use of this information would be to identify those businesses that serve a



**Figure 23:** Although the secondary markets have a less direct impact on Minnehaha Avenue, they do carry potential for business growth. These areas likely will be the first market expansion grounds for Minnehaha businesses. Note that the scale of this figure and Figure 20 are identical; balloon sizes are comparable.

small area. A cursory review of the leaking sectors suggests bars and specialty foods might be good bets in the secondary markets; full-service dining and general merchandise in the primary market.

## PRIMARY MARKET SURPLUS

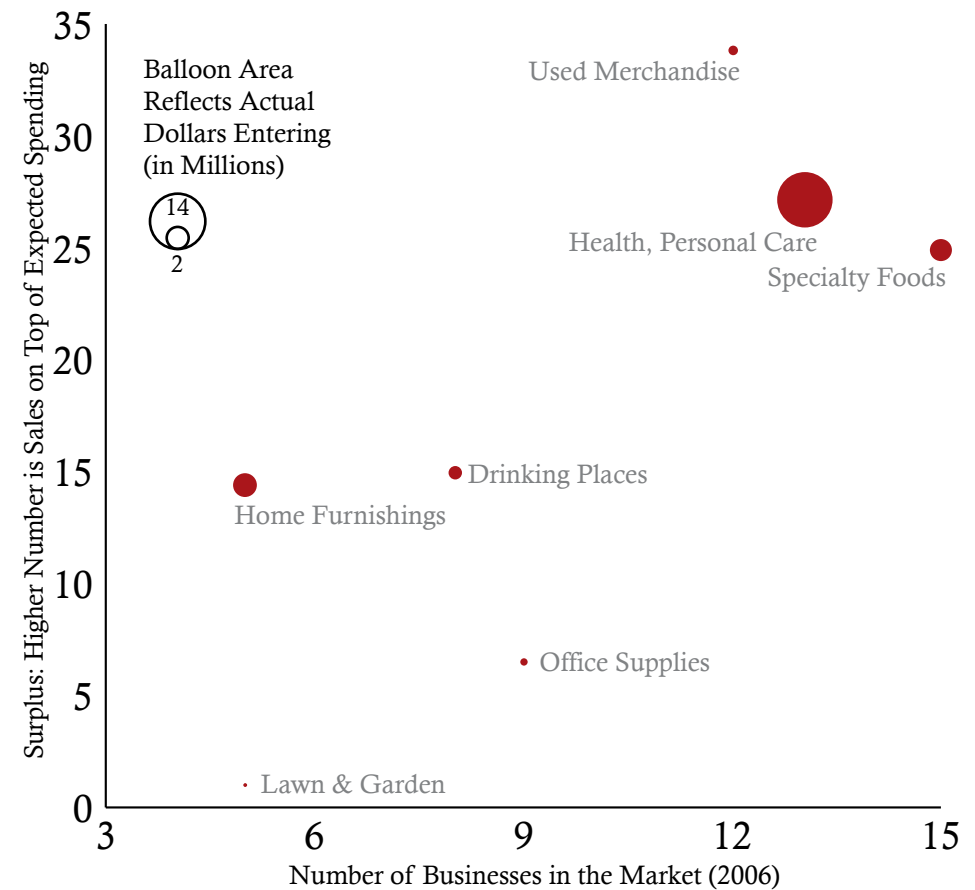
Sectors operating a surplus typically are good for a local economy. The market sectors in Figure 20 are earning more money than what local residents area spending — the opposite of leakage.

The nature of Minnehaha Avenue and its relationship with the primary market area muddies interpretation of this surplus. Leakage/surplus analysis is most applicable to areas that operate generally as one market, such as an entire rural community concerned that shoppers are going to a regional destination instead of shopping locally.

In this sense, it might be wise to capitalize on those sectors that have become a destination in the metro. These businesses might not “need” assistance, but they could be valuable in developing identity for Minnehaha and bringing business-building traffic into the area. Minnehaha’s status as a neighborhood corridor does not contradict a strategy of building a customer base from outside the primary market area. Surely additional shoppers improve business.

A surplus sector might in triage fall to the category needing least attention. Any strategy would have to be based on further investigation into the nature of markets and individual businesses. One business locating on the primary market side of a street could tip the balance toward surplus, especially in a sector such as home furnishings where only five businesses accounted for a \$2.6 million surplus in 2006. The few competitors (X-axis) and small volume

## Primary Market Surplus



SOURCE: ESRI, INFOUSA

**Figure 24:** Seven market sectors attracted enough spending from outside the area to create a surplus. The most notable is health and personal care, at \$14.5 million (27 percent). Note the Y-axis is not to the same scale as that of the leakage graphs.

suggest primary market sectors as a whole are not very strong. Combined with the large leakages, it appears primary market area residents are taking their business elsewhere.

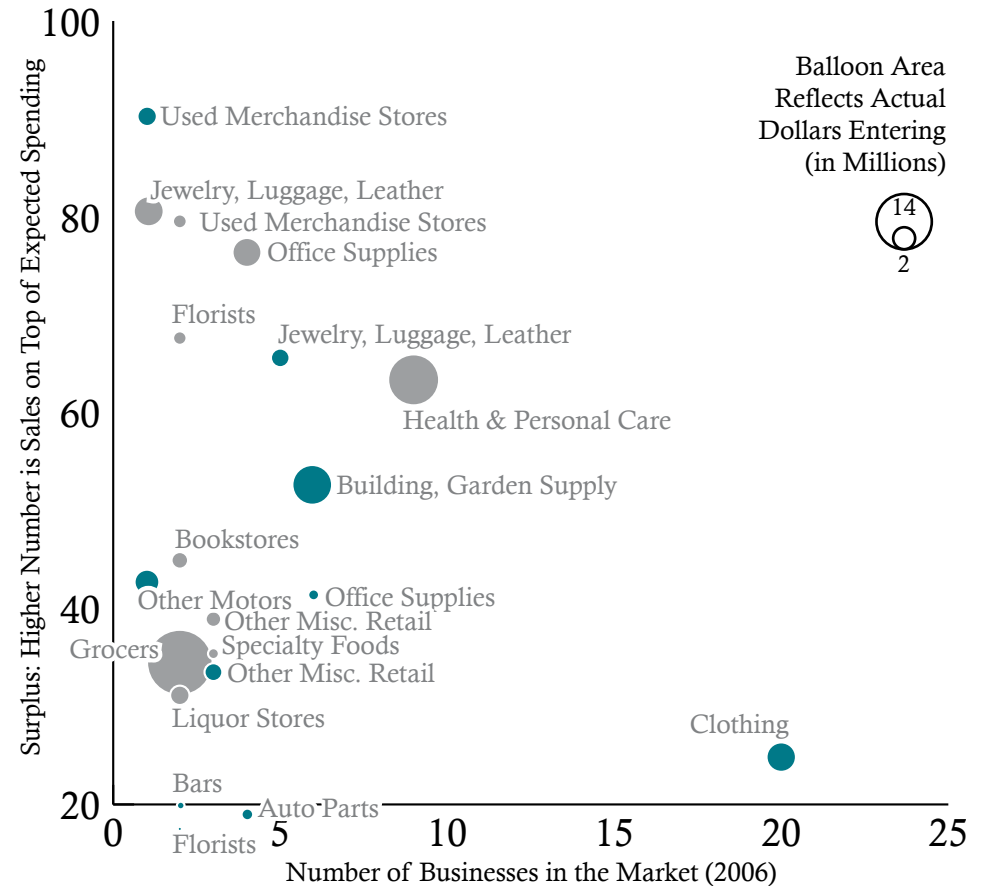
## NW AND SE SECONDARY MARKET SURPLUS

Two sectors stand out as surplus leaders in the southeast secondary market: grocers and health & personal care. The health care surplus likely is a result of businesses that cater to a comparatively old population in Highland Park; the surplus in grocery might be a relic of the market area's relatively small population (8,500 in 2006). One business drawing from outside markets is enough to tip the scales toward surplus.

Another consideration at this scale is the classification system — businesses are placed in only one NAICS code. What might seem like an obvious classification could in fact be placed in another category for any number of reasons. Also relevant is the fact that sector surpluses in these markets are variable. Just a few closings or a competitor in a nearby area could change this graph dramatically.

What to make of this information: Such statistics are open to infinite interpretation. One could argue that businesses successful and leading to surplus in the secondary areas are evidence of a regional demand in those sectors, and Minnehaha could benefit from similar sectors. One also could argue that these sectors have built a reputation and Minnehaha should focus business enhancement efforts elsewhere. Minnehaha also could coattail onto successful business sectors from neighboring market areas.

## Primary Market Surplus



SOURCE: ESRI, INFOUSA

**Figure 25:** Smaller populations allow just a few businesses to heavily impact surplus status. Grocers, although there are just two classified as such in the southeast area, create a surplus of \$20 million, or about 35 percent of the area's expected expenditure.



# Conclusions

## *The Next Steps*

**M**innehaha Avenue Task Force members developed a workplan based on this report and independent work to address concerns for the avenue. A primary recommendation from the task force is to improve coordination and organization of Minnehaha Avenue businesses. The task force was conceived as a compact workgroup to identify direction for the avenue; now the effort will move to the next phase, organization and implementation.

The following recommendations are taken from the July 9, 2007, report to the Neighborhood Development Caucus of the Longfellow Community Council.

### IMPLEMENTATION

- Establish an implementation committee to direct implementation of the strategies described. Membership would include, not exclusively, Longfellow residents, LCC committee members, business owners, artists, Seward Redesign, Hennepin County staff and city of Minneapolis staff.
- Work with LCC committees and board to reallocate NRP II funding to the Minnehaha Avenue project.
- Oversee 0.5 FTE LCC staff member assigned to project.
- Seek outside funding to leverage LCC money; work with

development partner when appropriate to write and submit proposals

- Develop outreach activities to inform community members about the initiative and inform them of available programs
- Develop marketing strategy informed by this study
- Work with the county to keep community informed of 2011 Minnehaha improvements and provide input on any committees or public input task forces
- Write scope of services for implementation of strategies, oversee and monitor the projects
- Work with LCC executive director and LCC Finance Committee to direct and oversee budget for this project
- Provide quarterly progress reports to the LCC NDC Committee and the LCC Board

### COMMERCIAL

- Work with LBA to organize Minnehaha businesses
- Create and implement a marketing strategy to attract business (emphasis on artists and artist-associated business and organizations). Base work on survey and market analysis.
- Renovate three vacant/blighted commercial or mixed-use sites on Minnehaha and fill with new businesses (sites needing more than façade improvements).



- Offer commercial façade improvement loans/grants to spark major façade improvements — eight projects

- Keep projects in accordance with LCC design guidelines
  - Emphasize good lighting design to highlight businesses and address safety issues.

- Apply for Great Streets grant ( 38th & Minnehaha)

## HOUSING

- Eighteen basic home improvement projects — provide low-interest loans or grants for 18 projects

- Focus six on Minnehaha between 37th and Lake streets

- Focus two per commercial nodes (within one block)

- Provide low-interest loans or consider income-based grants for homeowners

- Create and implement an outreach strategy to inform property owners about this initiative

## ENVIRONMENTAL

- Two triangle gardens — Start and maintain a garden in two of the triangles along Minnehaha. Leverage improvement from partners, volunteers and address water access issues.

- Three greening projects — Work with existing businesses to add greening projects to their sites (low-interest loans, matching funds, grants).

- Clean sweep — Work with the city to schedule a resident clean sweep initiative for fall 2007 between Hiawatha Avenue and one block east of Minnehaha (from 46th Street to Lake Street).

- Trash receptacles — Work with businesses at each node to

- install and maintain a trash receptacle on each corner.

## PUBLIC ART

- Work with the arts community to complete two murals or public art projects

## TRANSPORTATION AND SAFETY

- Bicycle racks — Add one bike rack to each corner at each node, as appropriate.

- Triangle traffic flow — Work with the city and county to test different traffic patterns for the east side street of each triangle along Minnehaha Avenue.

- Outdoor lightin — Provide free motion-detector lights for alleys behind residences.

## PERSONNEL

- Fund one 0.5 FTE position to administer the program and work with the implementation committe over three years.

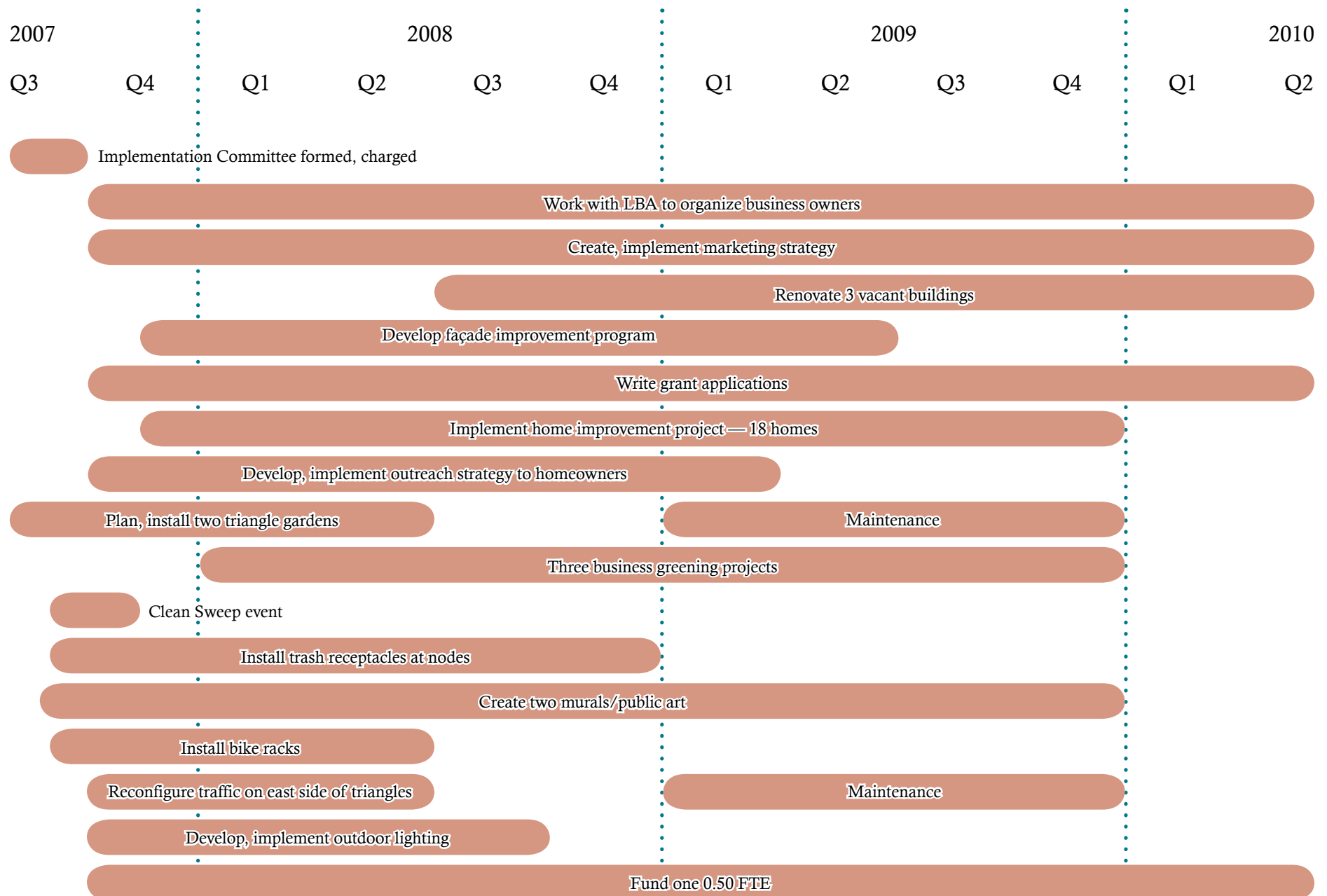
## FUNDING

In addition to NRP I funding, the Minnehaha Avenue Task force was charged with proposing direction of NRP II money to the Minnehaha corridor. Additional funding will be pursued through grant applications such as the Minneapolis Great Streets program. The task force anticipates the implementation committee will work with a partner, such as Seward Redesign, to develop a funding strategy.

For a full breakdown of potential funding sources, see the report submitted to LCC's Neighborhood Development Caucus.



# Implementation Timeline





# Appendix A

*Community Tapestry Source: Environmental Systems Research Institute*

## PRIMARY MARKET AREA

### SOUTHEAST SECONDARY MARKET AREA

### NORTHWEST SECONDARY MARKET AREA

#### Wealthy Seaboard Suburbs

**Population: 1,483   2.6 percent   Indexed to U.S.: 174**

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Wealthy Seaboard Suburbs neighborhoods are established quarters of affluence located in coastal metropolitan areas, primarily along the California, New York, New Jersey and New England coasts. Neighborhoods are older and slow to change, with a median home value that exceeds \$444,600. Households consist of married-couple families. Approximately half of employed persons are in management and professional occupations. The median age is 41.7 years. Residents enjoy traveling and shopping. They prefer to shop at Lord & Taylor, Macy's and Nordstrom as well as Costco Wholesale, their favorite club store. They also purchase many items online or by phone. Residents take nice vacations, traveling in the United States and abroad. Europe; Hawaii; Atlantic City; Las Vegas; and Disneyland are popular destinations. Leisure activities include going to the beach, skiing, ice skating and attending theater performances.

#### Up and Coming Families

**Population: 647   1.2 percent   Indexed to U.S.: 32**

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Up and Coming Families represents the second highest household growth market and, with a median age of 31.9, is the youngest of Community Tapestry's affluent

family markets. The profile for these neighborhoods is young, affluent families with young children. Approximately half of the households are concentrated in the South, with the other half in the West and Midwest. Neighborhoods are located in suburban outskirts of mid-sized metropolitan areas. The homes are newer, with a median value of \$185,500. Because family and home priorities dictate their consumer purchases, they frequently shop for baby and children's products and household furniture. Leisure activities include playing softball, going to the zoo, and visiting theme parks (generally SeaWorld or Disney World). Residents enjoy watching science fiction, comedy, and family-type movies on VHS or DVD.

#### In Style

**Population: 3,062   5.5 percent   Indexed to U.S.: 237**

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In Style residents live in affluent neighborhoods of metro areas. More suburban than urban, they nevertheless embrace an urban lifestyle. Townhome ownership is more than double that of the national level; however, more than half of households live in single-family homes. Labor force participation is high, and professional couples predominate. The median household income is \$67,800. Nearly one-third of these households include children. The median age is 39.3 years. In Style residents are computer savvy; they use the Internet daily to research information, track investments or shop. They own a diverse investment portfolio, contribute to retirement savings plans, and hold long-term care and life insurance policies. They enjoy going to the beach, snorkeling, golfing, casino gambling and domestic travel.

#### Prosperous Empty Nesters

**Population: 1,077   12.7 percent   Indexed to U.S.: 752**

Prosperous Empty Nesters neighborhoods are well established, located throughout the United States; approximately one-third are on the eastern seaboard. The median age is 47.2 years. More than half of the householders are aged 55 or older. Forty percent of household types are married couples with no children living at home. Educated and experienced, residents are enjoying the life stage transition from child rearing to retirement. The median household income is \$66,200. Residents place a high value on their physical and financial well-being and take an active interest in their homes and communities. They travel extensively, both at home and abroad. Leisure activities include refinishing furniture, playing golf, attending sports events, and reading mysteries. Civic participation includes joining civic clubs, engaging in fund-raising, and working as volunteers.

**Cozy and Comfortable**

**Population: 4,247    7.6 percent    Indexed to U.S.: 268**  
**Population: 56    0.7 percent    Indexed to U.S.: 23**

Cozy and Comfortable residents are settled, married and still working. Many couples are still living in the pre-1970s, single-family homes in which they raised their children. Households are located primarily in suburban areas of the Midwest, Northeast, and South. The median age is 41 years, and the median home value is \$164,000. Home improvement and remodeling are important to Cozy and Comfortable residents. Although some work is contracted, homeowners take an active part in many projects, especially painting and lawn care. They play softball and golf, attend ice hockey games, watch science fiction films on VHS/DVD, and gamble at casinos. Television is significant; many households have four or more sets. Preferred cable stations include QVC, Home & Garden Television and The History Channel.

**Milk and Cookies**

**Population: 1,498    2.7 percent    Indexed to U.S.: 126**

Milk and Cookies households are composed mainly of young, affluent married-couple families. Approximately half of the households include children. The median age for this market is 33.5 years. Residents prefer single-family homes in suburban areas, chiefly in the South, particularly in Texas. Smaller concentrations of households are located in the West and Midwest. The median home value is \$131,900. Families with two or more workers, more than one child, and two or more vehicles is the norm for this market. Residents are well insured for the future. The presence of children drives their large purchases of baby and children's products and timesavers such as fast food. For fun, residents play video games, chess, backgammon, basketball and football, or fly kites. Favorite cable channels include Toon Disney, The Discovery Health Channel, ESPNNews and Lifetime.

**Metropolitans**

**Population: 18,048    32.2 percent    Indexed to U.S.: 3,246**  
**Population: 3,134    37 percent    Indexed to U.S.: 3,725**  
**Population: 647    2.8 percent    Indexed to U.S.: 281**

Metropolitans favor city living in older neighborhoods. Approximately half of the households are composed of singles who live alone or with others. However, married-couple families are 40 percent of the households. The median age is 37.1 years. Half of employed persons hold professional or management positions. These neighborhoods are an eclectic mix of single-family homes and multiunit structures, with a median home value of \$194,100. The median household income is \$57,600. Residents lead busy, active lifestyles. They travel frequently and participate in numerous civic activities. They enjoy going to museums and zoos and listening to classical music and jazz on the radio. Refinishing furniture and playing a musical instrument are favorite hobbies. Exercise includes yoga, roller blading and hiking/backpacking.

**Trendsetters**

**Population: 779    3.4 percent    Indexed to U.S.: 373**

These neighborhoods are located primarily on the West Coast. On the cutting edge of urban style, Trendsetters residents are young, diverse, mobile, educated professionals with substantive jobs. The median age is 35.0 years. More than half of the households are single-person or shared. Most still rent, preferring upscale, multiunit dwellings in older city districts. The median household income is \$56,700. Residents are spenders; they shop in stores, online, and via the phone. They own the latest laptop computers, cell phones, and MP3 players, and use the Internet daily. Exercise includes playing tennis, volleyball, baseball, and golf as well as ice skating, snorkeling, and yoga. Leisure activities include traveling, attending rock concerts, and reading biographies. Residents also enjoy syndicated TV shows such as Access Hollywood and Seinfeld.

### **Main Street USA**

**Population: 16,215    28.9 percent    Indexed to U.S.: 1,139**

**Population: 2,194    25.9 percent    Indexed to U.S.: 1,018**

**Population: 1,617    7 percent    Indexed to U.S.: 274**

Main Street USA neighborhoods are a mix of single-family homes and multiunit dwellings found in the suburbs of smaller metropolitan cities, mainly in the Northeast, West, and Midwest. This market is similar to the United States when comparing household type, age, race, educational attainment, housing type, occupation, industry, and household income type distributions. The median age of 36.3 years matches that of the U.S. median. The median household income is a comfortable \$51,200. Homeownership is at 66 percent, and the median home value is \$190,200. Active members of the community, residents participate in local civic issues and work as volunteers. They take care of their lawns and gardens, and work on small home projects. They enjoy going to the beach and visiting theme parks as well as playing chess, going bowling or ice skating, and participating in aerobic exercise.

### **Metro Renters**

**Population: 1,267    14.9 percent    Indexed to U.S.: 1,725**

**Population: 701    3 percent    Indexed to U.S.: 349**

Metro Renters residents are young (approximately 30 percent are in their 20s), well educated singles beginning their professional careers in some of the largest U.S. cities such as New York City, Chicago, and Los Angeles. The median age is 33.6 years; the median household income is \$52,300. As the name Metro Renters implies, most residents are renting apartments in high-rise buildings, living alone or with a roommate. Their interests include traveling, reading two or more daily newspapers, listening to classical music and public radio programs, and surfing the Internet. For exercise, they work out regularly at clubs, play tennis and volleyball, practice yoga, ski, and jog. They enjoy dancing, attending rock concerts, going to museums or the movies, and throwing a Frisbee. Painting and drawing are favorite hobbies. Politically, this market is liberal.

### **Aspiring Young Families**

**Population: 502    0.9 percent    Indexed to U.S.: 39**

**Population: 750    10.6 percent    Indexed to U.S.: 468**

Aspiring Young Families neighborhoods are located in large, growing metropolitan areas in the South and West, with the highest concentrations in California, Florida, and Texas. Mainly composed of young, married-couple families or single parents with children, the median age for this segment is 30.4 years. Half of the households are owner-occupied, single-family dwellings or townhomes, and half are occupied by renters, many living in newer, multiunit buildings. Residents spend much of their discretionary income on baby and children's products and toys as well as home furnishings. Recent electronic purchases include cameras and video game systems. Leisure activities include dining out, dancing, going to the movies, attending professional football games, fishing, weight lifting, and playing basketball. Vacations would probably include visits to theme parks. Internet usage mainly involves chat room visits.

### **Retirement Communities**

**Population: 755    1.3 percent    Indexed to U.S.: 118**

**Population: 381    4.5 percent    Indexed to U.S.: 394**

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Retirement Communities neighborhoods are found mostly in cities scattered across the United States. The majority of households are multiunit dwellings. Congregate housing, which commonly includes meals and other services in the rent, is a trait of this segment dominated by singles who live alone. This educated, older market has a median age of 50.7 years. One-third of residents are aged 65 years or older. Although the median household income is a modest \$45,100, the median net worth is \$172,000. Good health is a priority; residents visit their doctors regularly, diet and exercise, purchase low-sodium food, and take vitamins. They spend their leisure time working crossword puzzles, playing bingo, gardening indoors, canoeing, gambling, and traveling overseas. They like to spend time with their grandchildren and spoil them with toys. Home remodeling projects are usually in the works.

### **Rustbelt Traditions**

**Population: 2,733    4.9 percent    Indexed to U.S.: 179**

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Rustbelt Traditions neighborhoods are the backbone of older, industrial cities in states bordering the Great Lakes. Most employed residents work in the service, manufacturing, and retail trade industries. Most residents own and live in modest single-family homes that have a median value of \$97,000. Households are primarily a mix of married-couple families, single-parent families, and singles who live alone. The median age is 35.9 years; the median household income is \$45,300. Residents prefer to use a credit union and invest in certificates of deposit. They use coupons regularly, especially at Sam's Club, work on home remodeling or improvement projects, and buy domestic vehicles. Favorite leisure activities include hunting, bowling, fishing, and attending auto races, country music shows, and ice hockey games (in addition to listening to games on the radio).

### **International Marketplace**

**Population: 477    2.1 percent    Indexed to U.S.: 132**

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Located primarily in cities in coastal gateway states, International Marketplace neighborhoods are developing, urban markets with a rich blend of cultures and household types. Approximately 70 percent of households are occupied by families. Married couples with children and single parents with children represent 44 percent of households. A typical family rents an apartment in an older, multiunit structure. Most of the households are located in California and northeastern states. The median age is 30.4 years, and the median household income is \$42,600. Top purchases include groceries and children's clothing. Residents shop at stores such as Marshalls and Costco, but for convenience, they stop at 7-Eleven or other similar convenience stores. They are loyal listeners of Hispanic radio programs and prefer to watch movies and sports on TV.

### **Old and Newcomers**

**Population: 3,253    5.8 percent    Indexed to U.S.: 378**

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Old and Newcomers neighborhoods are in transition, populated by those who are starting their careers or retiring. The proportion of householders in their 20s or aged 75 years or older is higher than the national level. The median age is 36.6 years. Spread throughout metropolitan areas of the United States, these neighborhoods have more single-person and shared households than families. Many residents have moved in the last five years. Sixty percent of households are occupied by renters; approximately half live in mid-rise or high-rise buildings. Residents have substantial life insurance policies and investments in certificates of deposit, bonds, and annuities. Leisure activities include roller skating, roller blading, playing golf, gambling at casinos, playing bingo, and attending college ball games. They listen to classic hits on the radio. Many residents are members of fraternal orders or school boards.

## Great Expectations

**Population: 2,334   4.2 percent   Indexed to U.S.: 263**

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**Population: 732   3.2 percent   Indexed to U.S.: 199**

Great Expectations neighborhoods are located throughout the country, with higher proportions found in the Midwest and South. Young singles and married-couple families dominate. The median age is 33.0 years. Labor force participation is high. Manufacturing, retail, and service industries are the primary employers. Approximately half of the households are owners living in single-family dwellings with a median value of \$100,600; the other half are renters, mainly living in apartments in low-rise or mid-rise buildings. Most of the housing units in these older, suburban neighborhoods were built before 1960. Residents enjoy a young and active lifestyle. They go out to dinner, to the movies, to bars, and to nightclubs. They enjoy roller skating; roller blading; playing Frisbee, chess, and pool; and attending auto races. They read music magazines and listen to rock music on the radio.

## Inner-City Tenants

**Population: 1,236   2.2 percent   Indexed to U.S.: 153**

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**Population: 4,822   20.8 percent   Indexed to U.S.: 1,441**

Inner City Tenants neighborhoods are a microcosm of urban diversity, located primarily in the South and West. This multicultural market is young, with a median age of 27.8 years. Households are a mix of singles and families. Most residents rent economical apartments in mid- or high-rise buildings. Recent household purchases by this market include video game systems, baby food, baby products, and furniture. Internet access at home is not typical; those who have no access at home surf the Internet at school or at the library. Playing games and visiting chat rooms are typical online activities. Residents frequently eat at fast-food restaurants. They enjoy going to the movies; attending football and basketball games; water skiing; and playing football, basketball, and soccer. Some enjoy the nightlife, visiting bars and nightclubs to go dancing.

## NeWest Residents

**Population: 751   3.2 percent   Indexed to U.S.: 264**

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Most NeWest Residents members rent apartments in mid- or high-rise buildings in primarily major western and southern cities. California has the largest concentration of these households, followed by Texas. Families dominate this market. Children reside in 54 percent of the households, either in married-couple or single-parent families. Approximately half of the population is foreign-born. This young market has a median age of 25.3 years. Most of the employed residents work in service and skilled labor occupations. These residents lead a strongly family-oriented lifestyle. Budget constraints restrict their purchases to essentials such as baby food, equipment, and products as well as children's clothing. For fun, families go to the movies, visit theme parks, and play soccer. They like to watch sports on TV, especially wrestling and soccer, and listen to Hispanic radio.

## City Dimensions

**Population: 8,668   37.4 percent   Indexed to U.S.: 4,027**

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Diversity in household type and ethnicity characterize City Dimensions neighborhoods that are located in large, urban cities. Population density remains high, with approximately 2,900 people per square mile. This market is young, with a median age of 29.0 years. Nearly 63 percent of households rent; more than half are apartments in multiunit structures. Most of the real estate is older. Approximately 70 percent of the housing units were built before 1960, 42 percent of which were built before 1940. Many households lease their vehicles, preferring Mercury or Ford models. Residents shop at BJ's Wholesale Club, Kmart, Marshalls, and T.J. Maxx. They enjoy roller skating, playing soccer and chess, attending auto races and shows, going to the movies, and renting movies on DVD (especially classics, horror, and science fiction). Video game systems are also popular.

## City Commons

---

**Population: 793     3.4 percent     Indexed to U.S.: 457**

City Commons neighborhoods are found in cities of large metropolitan areas, mainly in the South and Midwest. This younger market has a median age of 24.2 years. Singleparent families and singles dominate these households, and children abound. Approximately 77 percent of the households are renters; approximately 63 percent of the rentals are apartments in multiunit buildings, primarily with fewer than 20 units. More residents work part time instead of full time. This market has the highest unemployment rate among all the Community Tapestry segments. Baby and children's products are the major purchases. Residents enjoy playing basketball, softball, and backgammon. A yearly family outing to a theme park is common. They prefer to watch courtroom TV shows; listen to gospel, urban, and jazz programs on the radio; and read music, baby, parenthood, and fashion magazines.

## Social Security Set

---

**Population: 750     3.2 percent     Indexed to U.S.: 676**

Four in ten residents in the Social Security Set segment are aged 65 years or older; the median age is 44.6 years. Most of these residents live alone. Located in large cities scattered across the United States, these communities are dispersed among business districts and around city parks. The service industry provides more than half of the jobs held by residents who work. Households subsist on very low, fixed incomes. Most residents rent apartments in low-rent, high-rise buildings. Many rely on public transportation, because more than half of these households do not own a vehicle. Limited resources somewhat restrict the purchases and activities of these residents, although many have invested their savings in stock. They enjoy going to movies and soccer games and reading science fiction. Many households subscribe to cable TV; residents particularly enjoy watching game shows, sports, and entertainment news shows.

## Unclassified

---

**Population: 368     4.3 percent     Indexed to U.S.: 2,930**

Unclassified neighborhoods include unpopulated areas such as parks, golf courses, open spaces, or other types of undeveloped land. Institutional group quarters, such as prisons, juvenile detention homes, mental hospitals, or any area with insufficient data for classification, are also included in this category.



# Appendix B

## *NAICS Definitions Source: U.S. Census Bureau*

Business classifications throughout the document are from the 2002 North American Industrial Classification System, a uniform approach used by the United States, Canada and Mexico to organize business for statistical use. Each business establishment decides which code it falls under, creating potential for overlap among categories. This is especially true of the small market area in which this study is focused. Visit [www.census.gov/epcd/www/naics.html](http://www.census.gov/epcd/www/naics.html) for more information and <http://www.census.gov/epcd/naics02/naicod02.htm> for full definitions.

Definitions here are listed beneath the category title and four-digit NAICS code. Some categories include subcategories beneath the definitions to clarify what businesses are included.

### **Used Merchandise Stores (4533)**

This industry comprises establishments primarily engaged in retailing used merchandise, antiques, and secondhand goods (except motor vehicles, such as automobiles, RVs, motorcycles, and boats; motor vehicle parts; tires; and mobile homes).

### **Jewelry, Luggage, and Leather Goods Stores (4483)**

This industry group comprises establishments primarily engaged in retailing new jewelry (except costume jewelry); new silver and plated silverware; new watches and clocks; and new luggage with or without a general line of new leather goods and accessories, such as hats, gloves, handbags, ties, and belts.

### **Office Supplies, Stationery, and Gift Stores (4532)**

This industry comprises establishments primarily engaged in one or more of the following: (1) retailing new stationery, school supplies, and office supplies; (2) selling a combination of new office equipment, furniture, and supplies; and (3) selling new office equipment, furniture, and supplies in combination with selling new computers.

### **Florists (4531)**

This industry comprises establishments known as florists primarily engaged in retailing cut flowers, floral arrangements, and potted plants purchased from others. These establishments usually prepare the arrangements they sell.

### **Health & Personal Care Stores (4461)**

This industry group comprises establishments primarily engaged in retailing health and personal care products.

- Pharmacies and drug stores

- Cosmetics, beauty supplies and perfume stores

- Optical goods stores

- Food (health) supplement stores

### **Building Material and Supplies Dealers (4441)**

This industry group comprises establishments primarily engaged in retailing new building materials and supplies.

### **Book, Periodical, and Music Stores (4512)**

This industry group comprises establishments primarily engaged

in retailing new books, newspapers, magazines, and prerecorded audio and video media.

#### **Other Motor Vehicle Dealers (4412)**

This industry group comprises establishments primarily engaged in retailing new and used vehicles (except automobiles, light trucks, such as sport utility vehicles, and passenger and cargo vans).

Recreational vehicle dealers

Motorcycle, boat, and other motor vehicle dealers

#### **Other Miscellaneous Store Retailers (4539)**

This industry group comprises establishments primarily engaged in retailing new miscellaneous specialty store merchandise.

Pet and pet supplies stores

Art dealers

Tobacco stores

#### **Specialty Food Stores (4452)**

This industry group comprises establishments primarily engaged in retailing specialized lines of food.

Meat markets

Fish and seafood markets

Fruit and vegetable markets

Baked goods stores

Confectionery and nut stores

#### **Grocery Stores (4451)**

This industry group comprises establishments primarily engaged in retailing a general line of food products.

Supermarkets and other grocery (except convenience) stores

Convenience stores

#### **Clothing Stores (4481)**

This industry group comprises establishments primarily engaged in retailing new clothing.

#### **Furniture Stores (4421)**

This industry comprises establishments primarily engaged in retailing new furniture, such as household furniture (e.g., baby furniture box springs and mattresses) and outdoor furniture; office furniture (except those sold in combination with office supplies and equipment); and/or furniture sold in combination with major appliances, home electronics, home furnishings, or floor coverings.

#### **Automobile Dealers (4411)**

This industry group comprises establishments primarily engaged in retailing new and used automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans.

#### **Shoe Stores (4482)**

This industry comprises establishments primarily engaged in retailing all types of new footwear (except hosiery and specialty sports footwear, such as golf shoes, bowling shoes, and spiked shoes). Establishments primarily engaged in retailing new tennis shoes or sneakers are included in this industry.

#### **Electronics & Appliance Stores (4431)**

This industry group comprises establishments primarily engaged in retailing the following new products: household-type appliances, cameras, computers, and other electronic goods.

#### **Department Stores (4521)**

This industry comprises establishments known as department stores primarily engaged in retailing a wide range of the following new

products with no one merchandise line predominating: apparel, furniture, appliances and home furnishings; and selected additional items, such as paint, hardware, toiletries, cosmetics, photographic equipment, jewelry, toys, and sporting goods. Merchandise lines are normally arranged in separate departments.

#### **Lawn and Garden Equipment and Supplies Stores (4442)**

This industry group comprises establishments primarily engaged in retailing new lawn and garden equipment and supplies.

Outdoor Power Equipment Stores

Nursery, Garden Center, and Farm Supply Stores

#### **Electronic Shopping and Mail-Order Houses (4541)**

This industry comprises establishments primarily engaged in retailing all types of merchandise using non-store means, such as catalogs, toll free telephone numbers, or electronic media, such as interactive television or computer. Included in this industry are establishments primarily engaged in retailing from catalog showrooms of mail-order houses.

#### **Vending Machine Operators (4542)**

This industry comprises establishments primarily engaged in retailing merchandise through vending machines that they service.

#### **Direct Selling Establishments (4543)**

This industry group comprises establishments primarily engaged in nonstore retailing (except electronic, mail-order, or vending machine sales). These establishments typically go to the customers' location rather than the customer coming to them (e.g., door-to-door sales, home parties). Examples of establishments in this industry are home delivery newspaper routes; home delivery of heating oil, liquefied petroleum (LP) gas, and other fuels; locker meat

provisioners; frozen food and freezer plan providers; coffee-break services providers; and bottled water or water softener services.

Fuel Dealers

Heating Oil Dealers

Liquefied Petroleum Gas (Bottled Gas) Dealers

#### **Special Food Services (7223)**

This industry group comprises establishments primarily engaged in providing food services at one or more of the following: (1) the customer's location; (2) a location designated by the customer; or (3) from motorized vehicles or nonmotorized carts.

Food Service Contractors

Caterers

Mobile Food Services

#### **Used Merchandise Stores (4533)**

This industry comprises establishments primarily engaged in retailing used merchandise, antiques, and secondhand goods (except motor vehicles, such as automobiles, RVs, motorcycles, and boats; motor vehicle parts; tires; and mobile homes).

#### **Drinking Places — Alcoholic Beverages (7224)**

This industry group comprises establishments primarily engaged in preparing and serving alcoholic beverages for immediate consumption.

#### **Home Furnishings Stores (4422)**

This industry group comprises establishments primarily engaged in retailing new home furnishings (except furniture).

Floor Covering Stores

Window Treatment Stores

**Other General Merchandise Stores (4529)**

This industry group comprises establishments primarily engaged in retailing new goods in general merchandise stores (except department stores).

Warehouse Clubs and Supercenters

All Other General Merchandise Stores

**Full-Service Restaurants (7221)**

This industry group comprises establishments primarily engaged in providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating. Establishments that provide these types of food services to patrons with any combination of other services, such as takeout services, are classified in this industry.

**Electronics & Appliance Stores (4431)**

This industry group comprises establishments primarily engaged in retailing the following new products: household-type appliances, cameras, computers, and other electronic goods.

Appliance, Television, and Other Electronics Stores

Household Appliance Stores

Radio, Television, and Other Electronics Stores

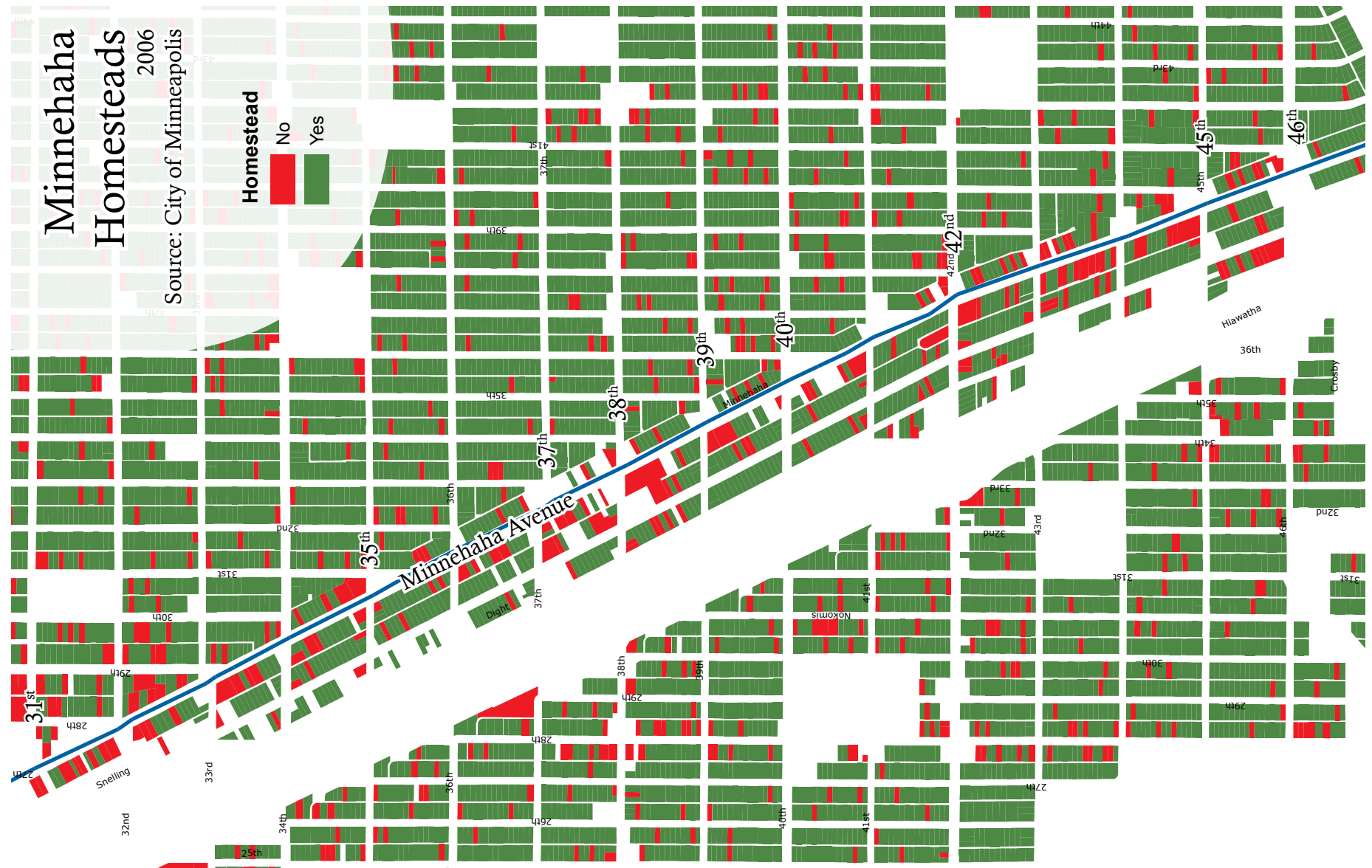
Computer and Software Stores

Camera and Photographic Supplies Stores

**Automobile Dealers (4411)**

This industry group comprises establishments primarily engaged in retailing new and used automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans.

# Appendix C



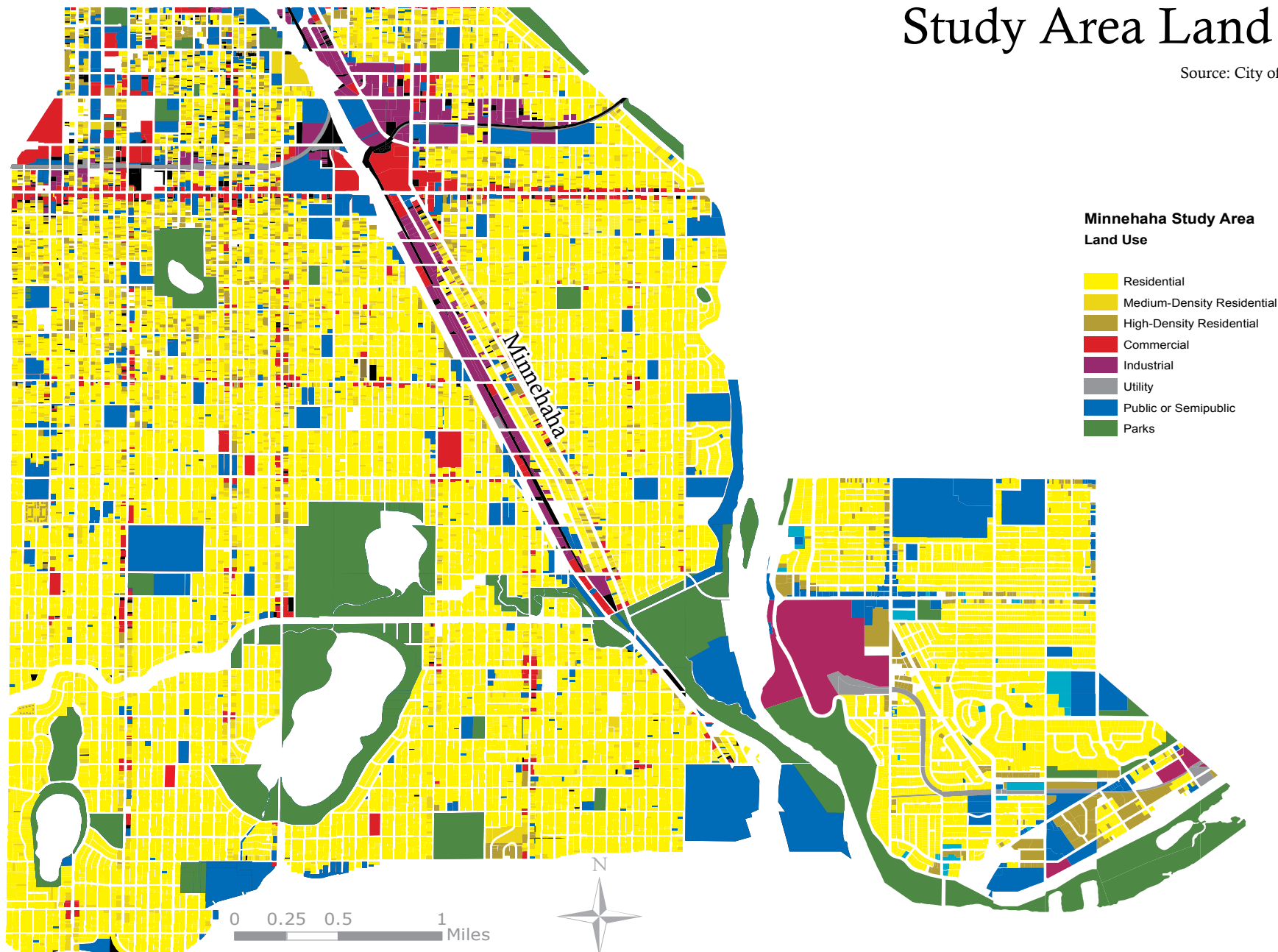


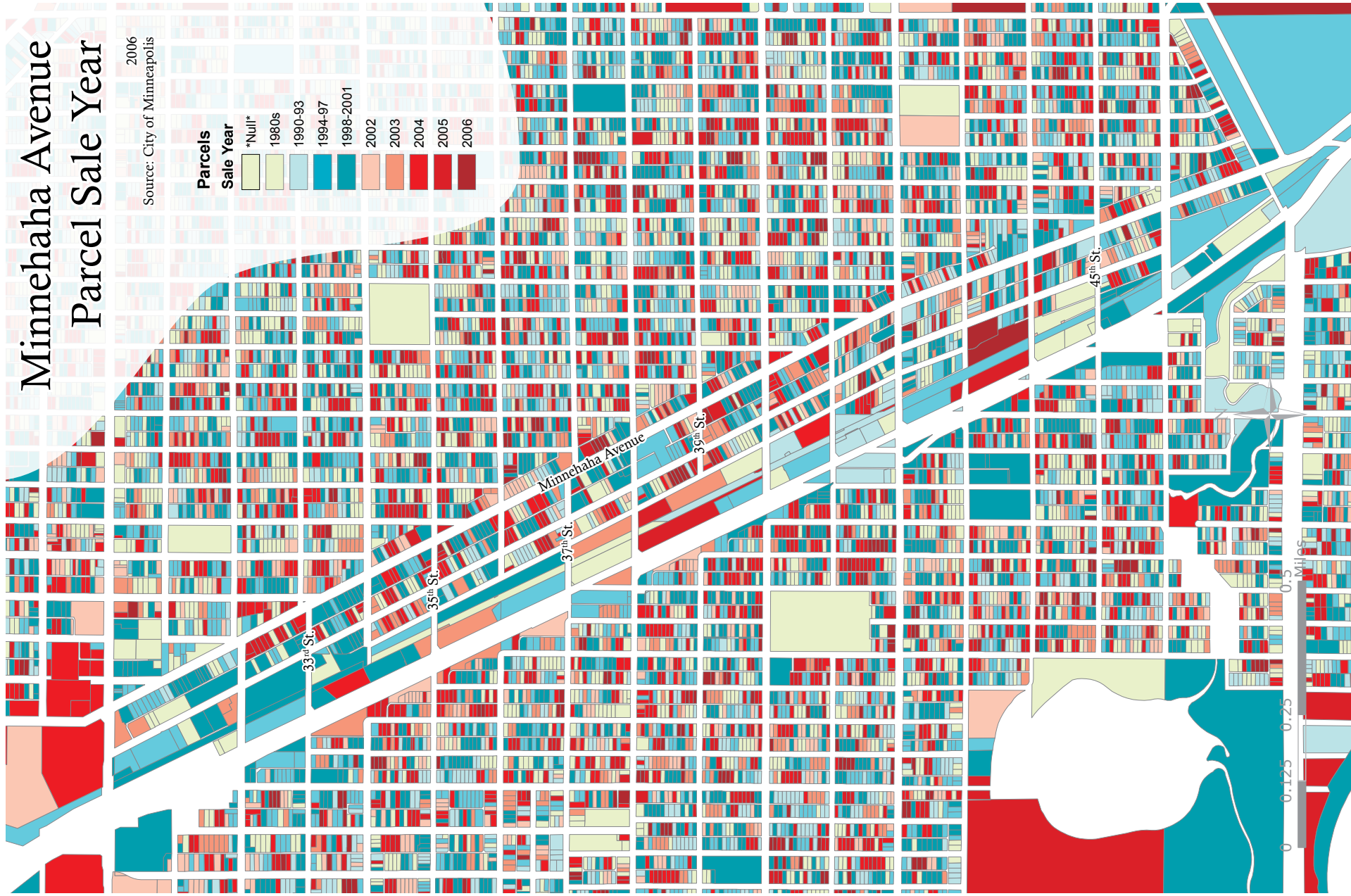


# Minnehaha Avenue Study Area Land Use

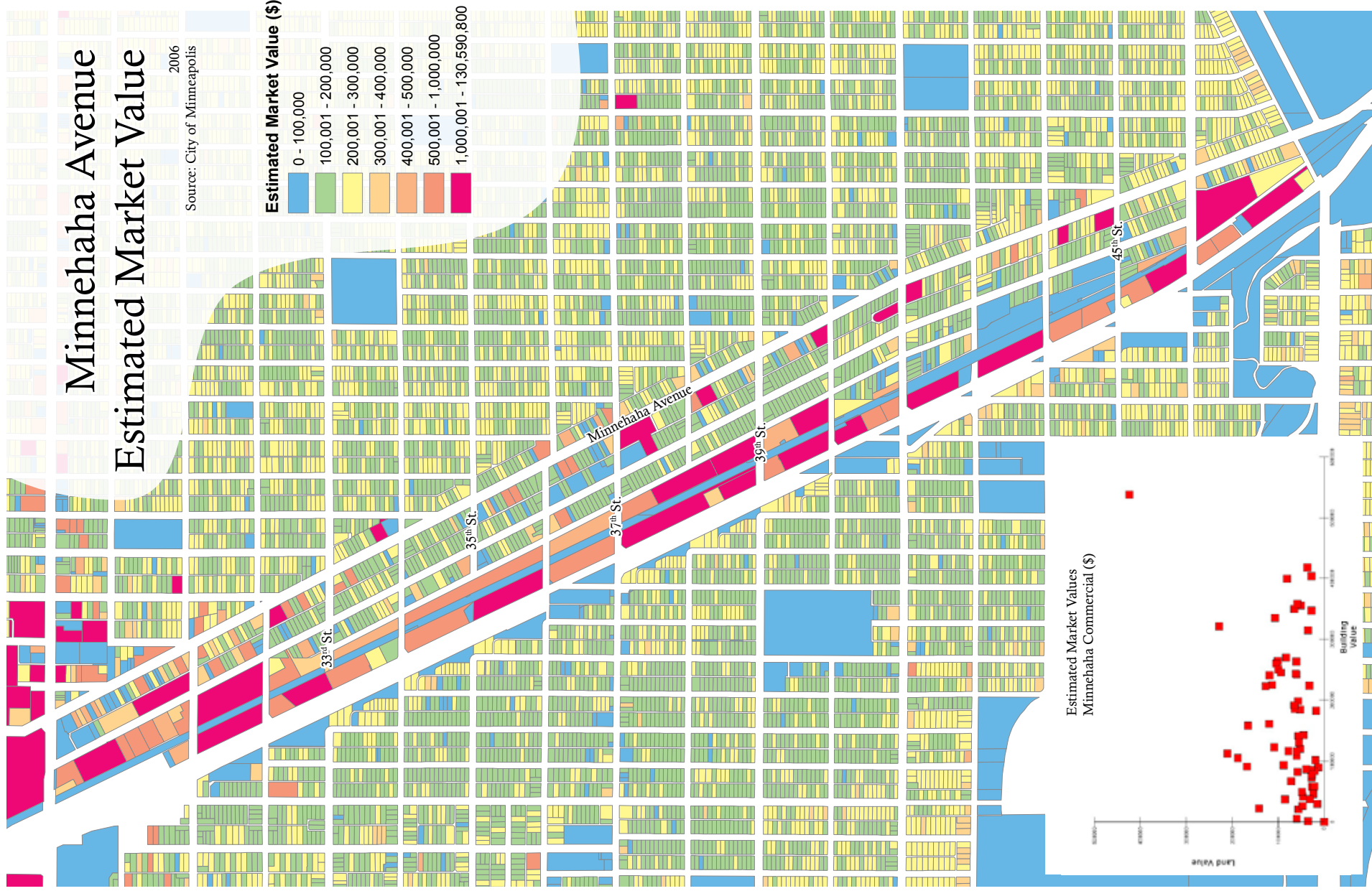
2006

Source: City of Minneapolis





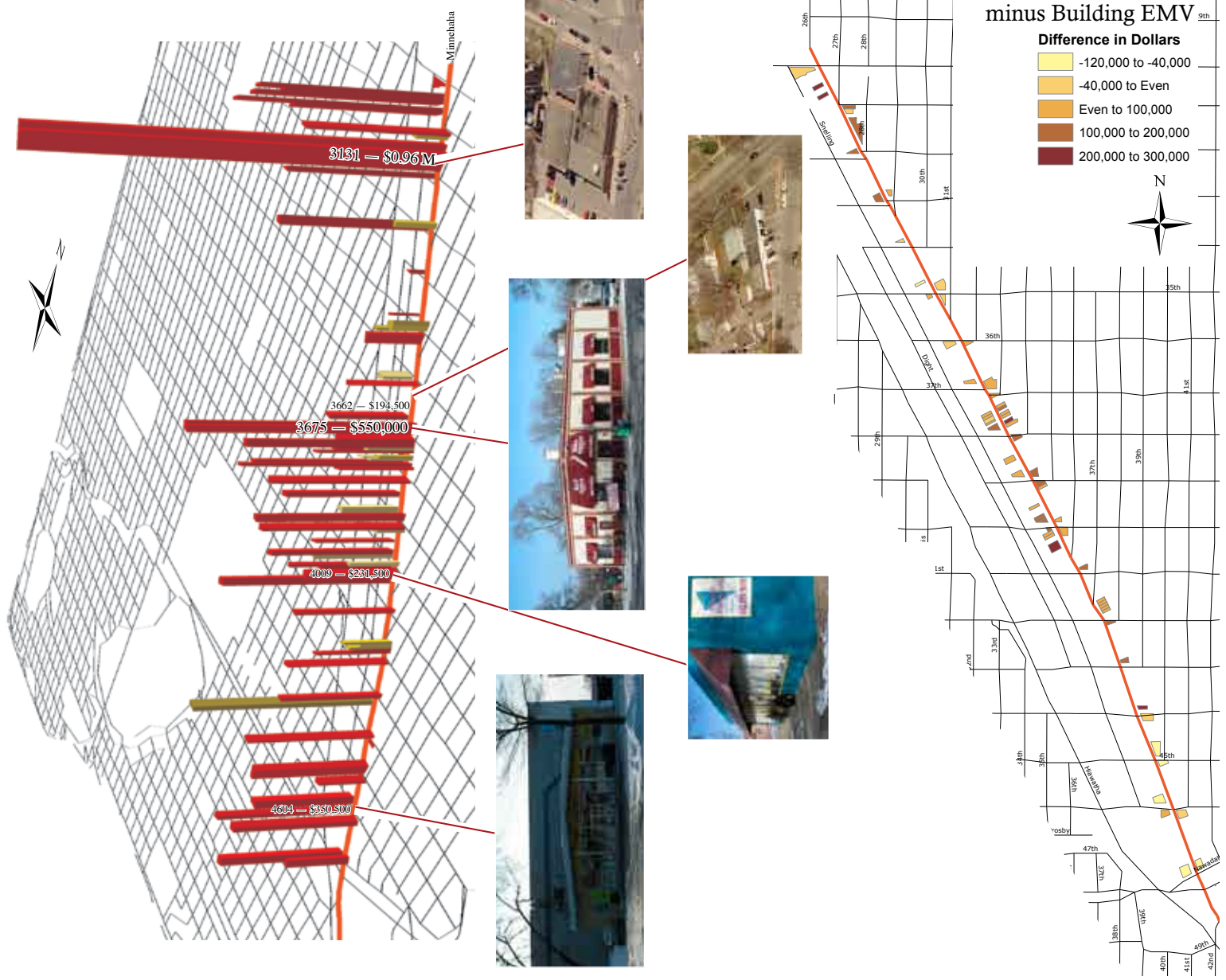


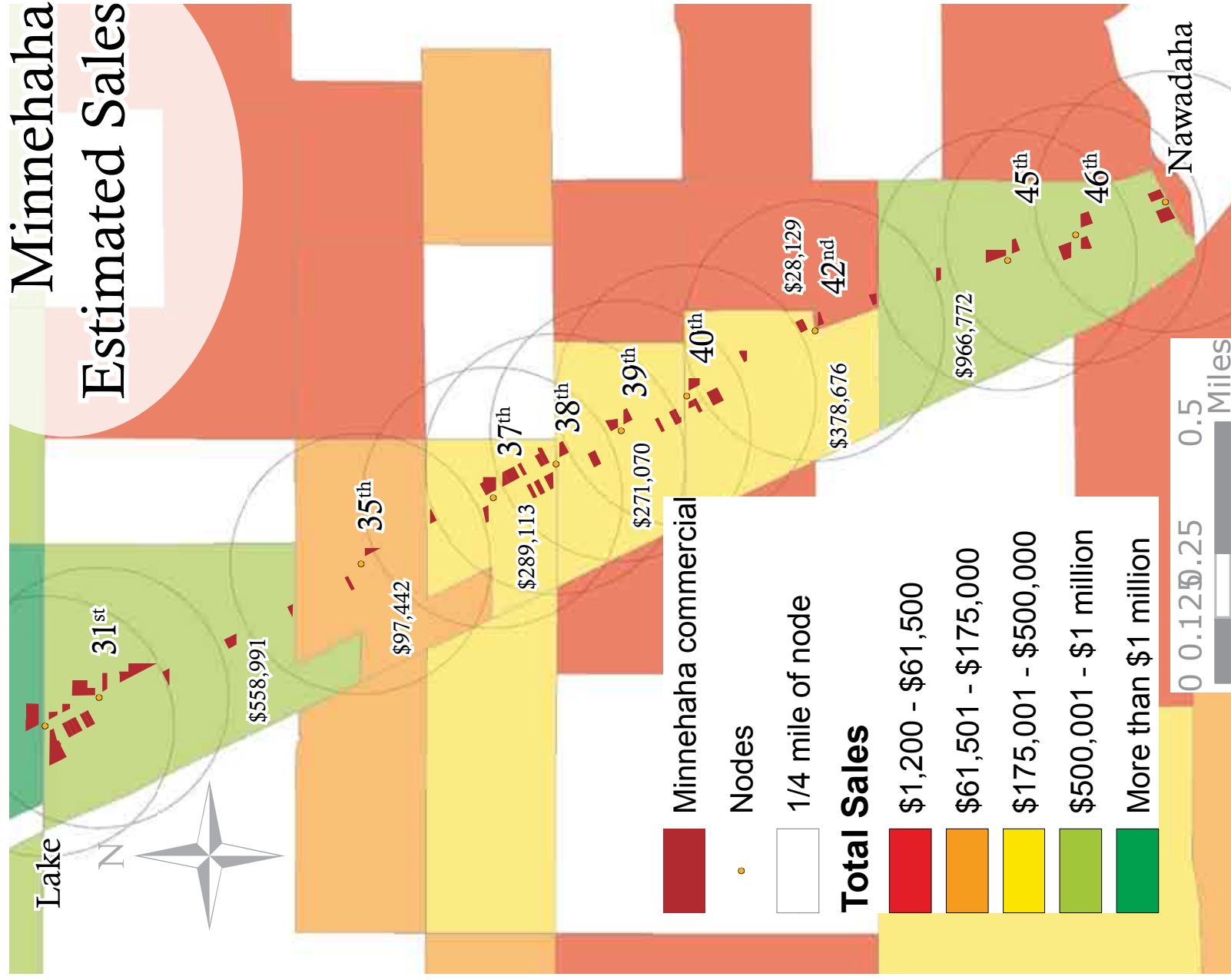


# Minnehaha Avenue Commercial Estimated Market Value

2006  
Source: City of Minneapolis

\* Yellow is mixed use, primarily residential





Source: Minnesota Department of Revenue

Sales are derived from sales tax data provided by the state of Minnesota. Figures are based on 2000 census block groups; data are provided only for those groups with 10 or more businesses because of privacy concerns.



# Appendix D

## SOUTHEAST SECONDARY MARKET AREA

### Retail MarketPlace Profile

Secondary  
E 38th St AT Minnehaha Ave  
Minneapolis, MN 55406

LISC Center for Commercial Revitalization - Neighborhood Map  
Latitude: 44.9342  
Longitude: -93.2238  
Area: 1

Site Type: Hand-drawn Shape

#### Summary Demographics

2006 Population 8,476  
2006 Households 4,138  
2006 Median Disposable Income \$45,601  
2006 Per Capita Income \$37,819

#### Industry Summary

Total Retail Trade and Food & Drink (NAICS 44-45, 722)  
Total Retail Trade (NAICS 44-45)  
Total Food & Drink (NAICS 722)

Leakage/Surplus Factor  
10.2  
10.9  
6.3

Number of Businesses: 68  
46  
22

#### Industry Group

Motor Vehicle & Parts Dealers (NAICS 441)  
Automobile Dealers (NAICS 4411)  
Other Motor Vehicle Dealers (NAICS 4412)  
Auto Parts, Accessories, and Tire Stores (NAICS 4413)  
Furniture & Home Furnishings Stores (NAICS 442)  
Furniture Stores (NAICS 4421)  
Home Furnishings Stores (NAICS 4422)  
Electronics & Appliance Stores (NAICS 443/NAICS 4431)  
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)  
Building Material and Supplies Dealers (NAICS 4441)  
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)

Leakage/Surplus Factor  
91.1  
96.8  
92.9  
25.3

Number of Businesses: 2  
1  
0  
1

Food & Beverage Stores (NAICS 445)  
Grocery Stores (NAICS 4451)  
Specialty Food Stores (NAICS 4452)  
Beer, Wine, and Liquor Stores (NAICS 4453)

Leakage/Surplus Factor  
100.0  
100.0  
100.0

Number of Businesses: 0  
0  
0

Health & Personal Care Stores (NAICS 446/NAICS 4461)

Leakage/Surplus Factor  
38.4

Number of Businesses: 2

Gasoline Stations (NAICS 447/NAICS 4471)

Leakage/Surplus Factor  
79.3

Number of Businesses: 0

Clothing and Clothing Accessories Stores (NAICS 448)  
Clothing Stores (NAICS 4481)  
Shoe Stores (NAICS 4482)  
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)

Leakage/Surplus Factor  
-23.8  
8.3  
3.0  
-80.2

Number of Businesses: 8  
5  
1  
2

Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)  
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)  
Book, Periodical, and Music Stores (NAICS 4512)

Leakage/Surplus Factor  
-21.3  
21.7  
-44.9

Number of Businesses: 4  
2  
2

**Data Note:** Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand estimates that are in current dollars. The Leakage/Surplus Factor represents a surplus of retail opportunity outside the trade area. A negative value represents a surplus of retail opportunity inside the trade area. A negative value represents a surplus of retail opportunity inside the trade area. ESRI uses the North American Industry in the Retail Trade sector, as well as four industry

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### Retail MarketPlace Profile

LISC Center for Commercial Revitalization - Neighborhood Map  
Latitude: 44.9342  
Longitude: -93.2238  
Area: 1

Secondary  
E 38th St AT Minnehaha Ave  
Minneapolis, MN 55406

## Leakage / Surplus Tables

Industry Group	Supply (Retail Sales)	Demand (Retail Potential)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
General Merchandise Stores (NAICS 452)	\$11,602	\$17,054,183	\$17,042,581	99.9	0
Department Stores Excluding Leased Depts. (NAICS 4521)	\$11,602	\$11,564,015	\$11,552,413	99.8	0
Other General Merchandise Stores (NAICS 4529)	\$0	\$5,490,168	\$5,490,168	100.0	0
Miscellaneous Store Retailers (NAICS 453)	\$8,827,598	\$1,893,785	\$-6,933,813	-84.7	11
Florists (NAICS 4531)	\$1,061,507	\$205,142	\$-856,365	-76.6	2
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$4,546,530	\$607,101	\$-3,939,429	-76.4	4
Used Merchandise Stores (NAICS 4533)	\$1,015,332	\$112,915	\$-902,417	-80.0	2
Other Miscellaneous Store Retailers (NAICS 4539)	\$2,204,229	\$968,627	\$-1,235,602	-38.9	3
Nonstore Retailers (NAICS 454)	\$409,401	\$3,744,592	\$3,335,191	80.3	Page 1 of 3 0
Electronic Shopping and Mail-Order Houses (NAICS 4541)	\$0	\$2,433,944	\$2,433,944	100.0	0
Vending Machine Operators (NAICS 4542)	\$0	\$420,711	\$420,711	100.0	0
Direct Selling Establishments (NAICS 4543)	\$409,401	\$889,937	\$480,536	37.0	0
Food Services & Drinking Places (NAICS 722)	\$15,328,839	\$17,406,706	\$2,077,867	6.3	22
Full-Service Restaurants (NAICS 7221)	\$3,253,022	\$5,586,468	\$2,333,446	26.4	0
Limited-Service Eating Places (NAICS 7222)	\$12,069,181	\$9,124,947	\$-2,944,234	-13.9	22
Special Food Services (NAICS 7223)	\$0	\$1,864,267	\$1,864,267	100.0	0
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$6,636	\$831,024	\$824,388	98.4	0



NORTHWEST SECONDARY MARKET AREA

Retail MarketPlace Profile

Secondary  
E 38th St AT Minnehaha Ave  
Minneapolis, MN 55406

Site Type: Hand-drawn Shape

LISC Center for Commercial Revitalization - Neighborhood Mar  
Latitude: 44.9342  
Longitude: -93.2238  
Area: 2

Summary Demographics

2006 Population 23,203  
2006 Households 8,050  
2006 Median Disposable Income \$29,518  
2006 Per Capita Income \$16,578

Industry Summary

Total Retail Trade and Food & Drink (NAICS 44-45, 722)  
Total Retail Trade (NAICS 44-45)  
Total Food & Drink (NAICS 722)

Supply (Retail Sales)  
\$110,577,368  
\$96,626,196  
\$13,951,172

Demand (Retail Potential)  
\$154,799,494  
\$132,514,223  
\$22,285,271

Retail Gap  
\$44,222,126  
\$35,888,027  
\$8,334,099

Leakage/Supplu  
Factor  
18.7  
15.7  
23.0

Number o  
Businesses  
130  
101  
29

Industry Group

Motor Vehicle & Parts Dealers (NAICS 441)  
Automobile Dealers (NAICS 4411)  
Other Motor Vehicle Dealers (NAICS 4412)  
Auto Parts, Accessories, and Tire Stores (NAICS 4413)  
  
Furniture & Home Furnishings Stores (NAICS 442)  
Furniture Stores (NAICS 4421)  
Home Furnishings Stores (NAICS 4422)  
  
Electronics & Appliance Stores (NAICS 443/NAICS 4431)  
  
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)  
Building Material and Supplies Dealers (NAICS 4441)  
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)

Supply (Retail Sales)  
\$15,310,070  
\$8,382,937  
\$4,854,135  
\$2,072,988  
  
\$3,233,246  
\$1,187,400  
\$2,045,846  
  
\$511,424  
  
\$10,791,912  
\$10,791,912  
\$0

Demand (Retail Potential)  
\$33,849,374  
\$30,469,534  
\$1,948,918  
\$1,430,922  
  
\$4,041,145  
\$2,454,611  
\$1,586,534  
  
\$4,650,850  
  
\$3,984,618  
\$3,355,930  
\$628,688

Retail Gap  
\$18,539,304  
\$22,086,597  
\$-2,905,217  
\$-642,076  
  
\$807,899  
\$1,267,211  
\$-459,312  
  
\$4,139,426  
  
\$-6,807,294  
\$-7,435,982  
\$628,688

Leakage/Supplu  
Factor  
37.7  
56.8  
-42.7  
-18.3  
  
11.1  
34.8  
-12.6  
  
80.2  
  
-46.1  
-52.6  
100.0

Number o  
Businesses  
12  
7  
1  
4  
  
4  
2  
2  
  
3  
  
6  
6  
0

Food & Beverage Stores (NAICS 445)  
Grocery Stores (NAICS 4451)  
Specialty Food Stores (NAICS 4452)  
Beer, Wine, and Liquor Stores (NAICS 4453)

Supply (Retail Sales)  
\$27,333,644  
\$24,819,098  
\$553,907  
\$1,960,639

Demand (Retail Potential)  
\$26,500,261  
\$23,335,890  
\$820,283  
\$2,344,088

Retail Gap  
\$833,383  
\$-1,483,208  
\$266,376  
\$383,449

Leakage/Supplu  
Factor  
-1.5  
-3.1  
19.4  
8.9

Number o  
Businesses  
20  
14  
5  
1

Health & Personal Care Stores (NAICS 446/NAICS 4461)

Supply (Retail Sales)  
\$2,260,631

Demand (Retail Potential)  
\$4,284,351

Retail Gap  
\$2,023,720

Leakage/Supplu  
Factor  
30.9

Number o  
Businesses  
4

Gasoline Stations (NAICS 447/NAICS 4471)

Supply (Retail Sales)  
\$10,027,169

Demand (Retail Potential)  
\$15,555,804

Retail Gap  
\$5,528,635

Leakage/Supplu  
Factor  
21.6

Number o  
Businesses  
3

Clothing and Clothing Accessories Stores (NAICS 448)  
Clothing Stores (NAICS 4481)  
Shoe Stores (NAICS 4482)

Supply (Retail Sales)  
\$13,275,891  
\$10,956,318  
\$237,991

Demand (Retail Potential)  
\$8,012,122  
\$6,603,413  
\$976,662

Retail Gap  
\$5,263,769  
\$-4,352,905  
\$738,671

Leakage/Supplu  
Factor  
-24.7  
-24.8  
60.8

Number o  
Businesses  
25  
20  
0

Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)

Supply (Retail Sales)  
\$2,081,582

Demand (Retail Potential)  
\$432,047

Retail Gap  
\$1,649,535

Leakage/Supplu  
Factor  
-65.6

Number o  
Businesses  
5

Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)  
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)  
Book, Periodical, and Music Stores (NAICS 4512)

Supply (Retail Sales)  
\$2,584,546  
\$1,612,643  
\$971,903

Demand (Retail Potential)  
\$2,213,494  
\$1,316,550  
\$896,944

Retail Gap  
\$371,052  
\$-296,093  
\$-74,959

Leakage/Supplu  
Factor  
-7.7  
-10.1  
-4.0

Number o  
Businesses  
10  
4  
6

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail demand estimates are in curr

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6/19/07

Retail MarketPlace Profile

Secondary  
E 38th St AT Minnehaha Ave  
Minneapolis, MN 55406

Site Type: Hand-drawn Shape

LISC Center for Commercial Revitalization - Neighborhood Mar  
Latitude: 44.9342  
Longitude: -93.2238  
Area: 2

Industry Group

General Merchandise Stores (NAICS 452)  
Department Stores Excluding Leased Depts. (NAICS 4521)  
Other General Merchandise Stores (NAICS 4529)  
  
Miscellaneous Store Retailers (NAICS 453)  
Florists (NAICS 4531)  
Office Supplies, Stationery, and Gift Stores (NAICS 4532)  
Used Merchandise Stores (NAICS 4533)  
Other Miscellaneous Store Retailers (NAICS 4539)

Supply (Retail Sales)  
\$5,102,910  
\$344,187  
\$4,758,723  
  
\$6,194,753  
\$330,373  
\$976,338  
\$1,861,208  
\$3,026,834

Demand (Retail Potential)  
\$19,257,768  
\$11,622,169  
\$7,635,599  
  
\$2,251,918  
\$241,965  
\$405,017  
\$95,515  
\$1,509,421

Retail Gap  
\$14,154,858  
\$11,277,982  
\$2,876,876  
  
\$-3,942,835  
\$-88,408  
\$-571,321  
\$-1,765,693  
\$-1,517,413

Leakage/Supplu  
Factor  
58.1  
94.2  
23.2  
  
-46.7  
-15.4  
-41.4  
-90.2  
-33.5

Number o  
Businesses  
2  
1  
1  
  
12  
2  
6  
1  
3

Nonstore Retailers (NAICS 454)

Electronic Shopping and Mail-Order Houses (NAICS 4541)  
Vending Machine Operators (NAICS 4542)  
Direct Selling Establishments (NAICS 4543)

Supply (Retail Sales)  
\$0  
\$0  
\$0

Demand (Retail Potential)  
\$7,912,518  
\$6,256,563  
\$989,502  
\$666,453

Retail Gap  
\$7,912,518  
\$6,256,563  
\$989,502  
\$666,453

Leakage/Supplu  
Factor  
100.0  
100.0  
100.0  
100.0

Number o  
Businesses  
Page 1 of 3  
0  
0  
0  
0

Food Services & Drinking Places (NAICS 722)  
Full-Service Restaurants (NAICS 7221)  
Limited-Service Eating Places (NAICS 7222)  
Special Food Services (NAICS 7223)

Supply (Retail Sales)  
\$13,951,172  
\$7,745,291  
\$5,357,031  
\$0

Demand (Retail Potential)  
\$22,285,271  
\$13,232,225  
\$6,703,342  
\$1,775,682  
\$574,022

Retail Gap  
\$8,334,099  
\$5,486,934  
\$1,346,311  
\$1,775,682  
\$-274,828

Leakage/Supplu  
Factor  
23.0  
26.2  
11.2  
100.0  
-19.3

Number o  
Businesses  
29  
1  
26  
0  
2

Drinking Places - Alcoholic Beverages (NAICS 7224)

Supply (Retail Sales)  
\$0

Demand (Retail Potential)  
\$0

Retail Gap  
\$0

Leakage/Supplu  
Factor  
0

Number o  
Businesses  
0

# PRIMARY MARKET AREA

## Retail MarketPlace Profile

LISC Center for Commercial Revitalization - Neighborhood Mar  
Latitude: 44.9342  
Longitude: -93.2238  
Area: 1

E 38th St AT Minnehaha Ave  
Minneapolis, MN 55406

Hand-drawn Shape

Site Type:

### Summary Demographics

2006 Population 56,013  
2006 Households 25,131  
2006 Median Disposable Income \$43,780  
2006 Per Capita Income \$31,263

### Industry Summary

	Supply (Retail Sales)	Demand (Retail Potential)	Retail Gap	Leakage/Supplu Factor	Number o Businesses
Total Retail Trade (NAICS 44-45, 722)	\$325,187,855	\$685,197,250	\$360,009,395	277	277
Total Retail Trade (NAICS 44-45)	\$294,031,339	\$688,113,658	\$394,082,319	33.3	188
Total Food & Drink (NAICS 722)	\$31,156,516	\$97,083,592	\$65,927,076	51.4	79

### Industry Group

	Supply (Retail Sales)	Demand (Retail Potential)	Retail Gap	Leakage/Supplu Factor	Number o Businesses
Motor Vehicle & Parts Dealers (NAICS 441)	\$17,680,343	\$152,574,393	\$134,894,050	79.0	15
Automobile Dealers (NAICS 4411)	\$5,175,360	\$135,033,595	\$130,458,235	92.6	6
Other Motor Vehicle Dealers (NAICS 4412)	\$8,310,226	\$10,571,580	\$2,261,354	12.0	3
Auto Parts, Accessories, and Tire Stores (NAICS 4413)	\$4,394,757	\$6,369,218	\$1,974,461	18.3	6
Furniture & Home Furnishings Stores (NAICS 442)	\$10,624,736	\$19,716,474	\$9,091,738	30.0	5
Furniture Stores (NAICS 4421)	\$0	\$11,759,004	\$11,759,004	100.0	0
Home Furnishings Stores (NAICS 4422)	\$10,624,736	\$7,957,470	\$2,667,266	-14.4	5
Electronics & Appliance Stores (NAICS 443/NAICS 4431)	\$1,819,741	\$21,075,300	\$19,255,559	84.1	5
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$11,741,094	\$21,978,021	\$10,236,927	30.4	20
Building Material and Supplies Dealers (NAICS 4441)	\$8,357,573	\$18,663,214	\$10,305,641	38.1	15
Lawn and Garden Equipment and Supplies Stores (NAICS 4442)	\$3,383,521	\$3,314,807	\$-68,714	-1.0	5
Food & Beverage Stores (NAICS 445)	\$106,153,091	\$111,874,087	\$5,720,996	2.6	44
Grocery Stores (NAICS 4451)	\$95,309,297	\$98,413,126	\$3,103,829	1.6	26
Specialty Food Stores (NAICS 4452)	\$5,733,758	\$3,446,344	\$-2,287,414	-24.9	15
Beer, Wine, and Liquor Stores (NAICS 4453)	\$5,110,036	\$10,014,617	\$4,904,581	32.4	3
Health & Personal Care Stores (NAICS 446/NAICS 4461)	\$33,940,280	\$19,483,030	\$-14,457,250	-27.1	13
Gasoline Stations (NAICS 447/NAICS 4471)	\$30,246,155	\$66,781,434	\$36,533,279	37.7	7
Clothing and Clothing Accessories Stores (NAICS 448)	\$9,663,542	\$34,385,874	\$24,702,332	56.1	19
Clothing Stores (NAICS 4481)	\$5,808,132	\$28,386,171	\$22,578,039	66.0	13
Shoe Stores (NAICS 4482)	\$2,813,974	\$3,944,002	\$1,130,028	16.7	3
Jewelry, Luggage, and Leather Goods Stores (NAICS 4483)	\$1,041,436	\$2,035,701	\$994,265	32.3	3
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$7,167,838	\$9,615,218	\$2,447,380	14.6	23
Sporting Goods/Hobby/Musical Instrument Stores (NAICS 4511)	\$5,634,967	\$5,858,561	\$223,594	1.9	18
Book, Periodical, and Music Stores (NAICS 4512)	\$1,532,871	\$3,756,657	\$2,223,786	42.0	5

**Data Note:** Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail demand estimates are in curr

Source: ESRI and info USA@.

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6/19/07

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Longitude: -93.2238  
Area: 1

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Minneapolis, MN 55406

Hand-drawn Shape

Site Type:

### Industry Group

	Supply (Retail Sales)	Demand (Retail Potential)	Retail Gap	Leakage/Supplu Factor	Number o Businesses
General Merchandise Stores (NAICS 452)	\$38,669,306	\$84,691,162	\$46,021,856	37.3	4
Department Stores Excluding Leased Depts. (NAICS 4521)	\$31,531,221	\$51,437,987	\$19,906,766	24.0	2
Other General Merchandise Stores (NAICS 4529)	\$7,138,085	\$33,253,175	\$26,115,090	64.7	2
Miscellaneous Store Retailers (NAICS 453)	\$7,928,884	\$10,410,993	\$2,484,109	13.5	37
Florists (NAICS 4531)	\$959,025	\$1,304,597	\$345,572	15.3	2
Office Supplies, Stationery, and Gift Stores (NAICS 4532)	\$2,089,904	\$1,835,680	\$-254,224	-6.5	9
Used Merchandise Stores (NAICS 4533)	\$848,655	\$419,519	\$-429,136	-33.8	12
Other Miscellaneous Store Retailers (NAICS 4539)	\$4,029,300	\$6,851,197	\$2,821,897	25.9	14
Nonstore Retailers (NAICS 454)	\$18,196,329	\$35,547,672	\$17,351,343	32.3	6
Electronic Shopping and Mail-Order Houses (NAICS 4541)	\$16,459,200	\$27,990,882	\$11,531,682	25.9	2
Vending Machine Operators (NAICS 4542)	\$304,226	\$4,236,978	\$3,932,752	86.6	1
Direct Selling Establishments (NAICS 4543)	\$1,432,903	\$5,319,812	\$1,886,909	39.7	3
Food Services & Drinking Places (NAICS 722)	\$31,156,516	\$97,083,592	\$65,927,076	51.4	79
Full-Service Restaurants (NAICS 7221)	\$6,815,855	\$57,893,226	\$51,077,371	78.9	1
Limited-Service Eating Places (NAICS 7222)	\$16,881,736	\$29,077,719	\$12,195,983	26.5	65
Special Food Services (NAICS 7223)	\$4,193,592	\$7,700,548	\$3,506,956	29.5	5
Drinking Places - Alcoholic Beverages (NAICS 7224)	\$3,265,333	\$2,412,099	\$-853,234	-15.0	8





# Appendix E

*Nodes*

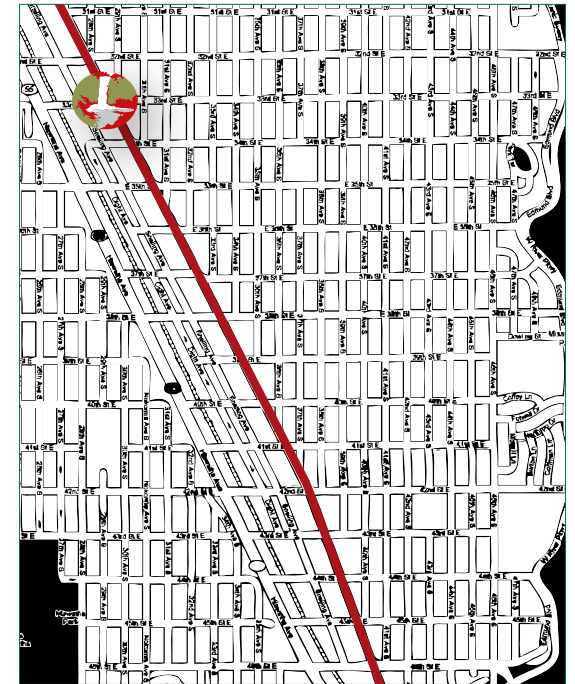


Roy W. Holden 0.12 acres

Orange Properties 0.28 acres



**33<sup>rd</sup> Street**





# 35<sup>th</sup> Street



**3022 35<sup>th</sup>**  
Phillip S. Wever 0.21 acre



**3463**  
Chady Investments 0.41 acre

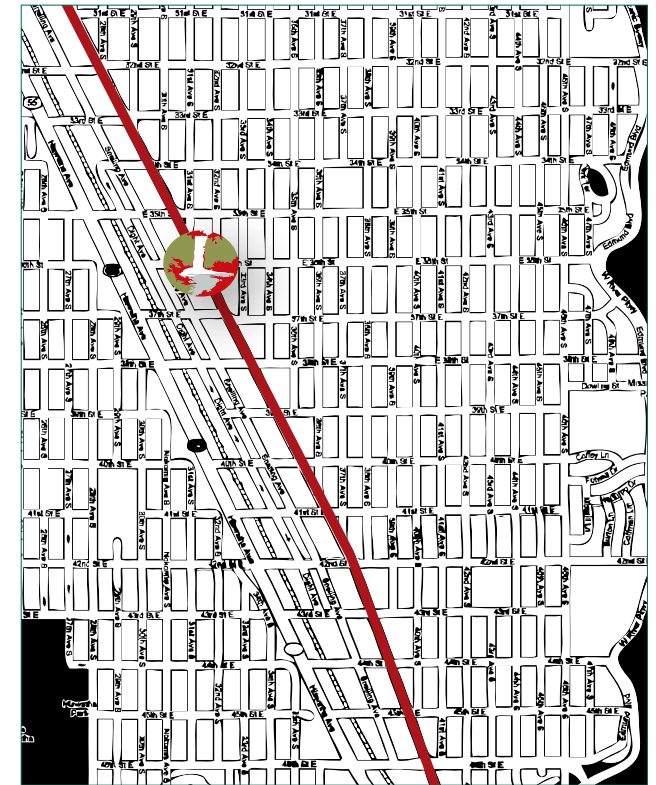


**3500**  
Maranatha Asamble De Dios 0.10 acre

Leonard Leder, Edina, 0.15 acre



**3511**





# 36<sup>th</sup> Street

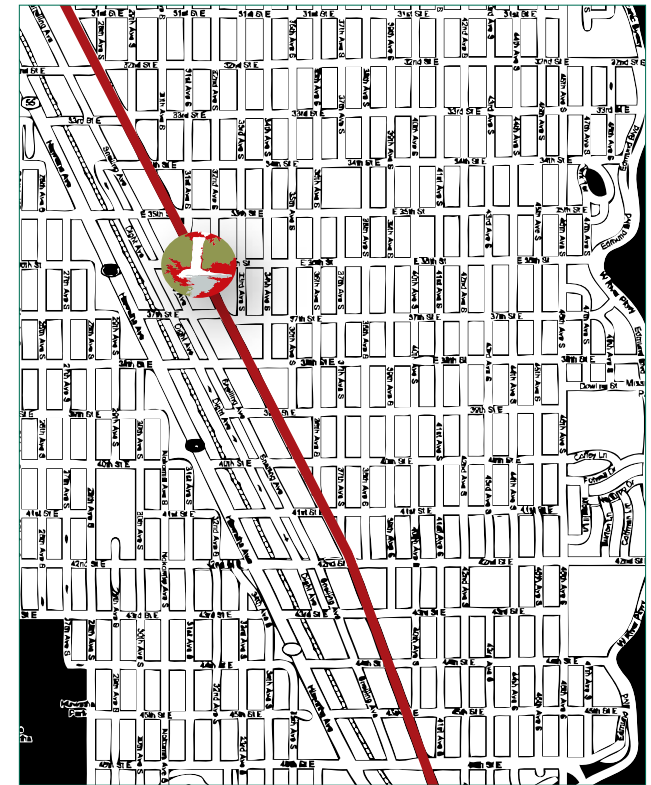


3601

Harold VN Lance II, Wayzata, 0.13 acre

Colin Carpenter, 28th Ave. S, 0.14 acre

3608

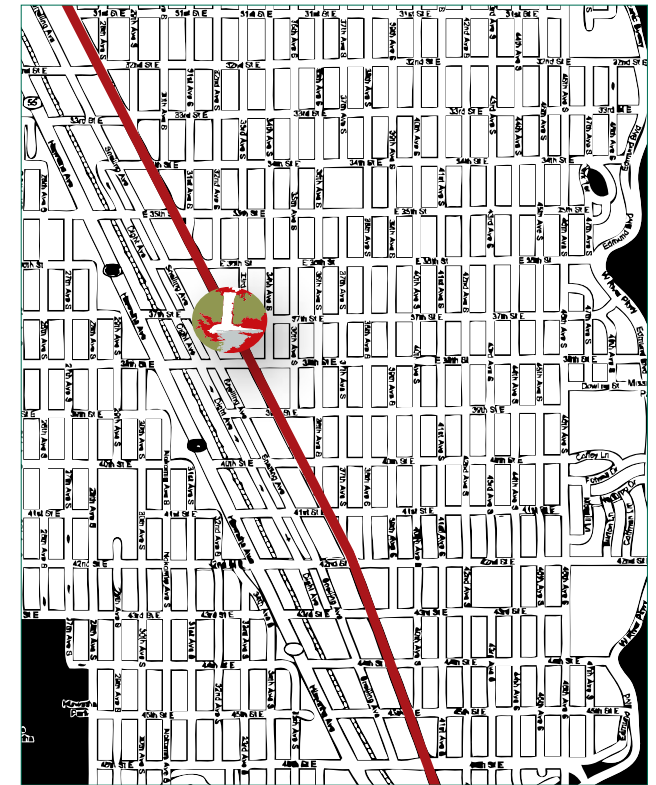




# 37<sup>th</sup> Street



Stephen & Jane Benowitz 0.51 acre



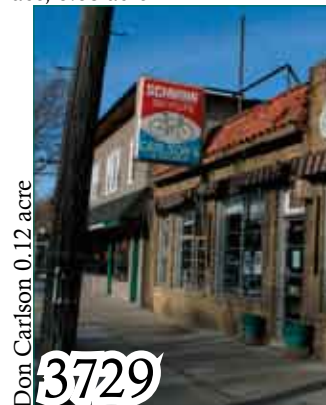
3701 George Hanten 0.13 acre  
3709 Glenn Grieder 0.37 acre  
3721 Mary Rivers 0.12 acre



3740 Eileen Simmet 0.13 acre  
3748 Tapestry Folkdance Center 0.20  
3750 Richard Lundin II, River Terrace, 0.08 acre



Booker T. Daniel, 4th Ave. S. 0.18 acre



Don Carlson 0.12 acre





# 38<sup>th</sup> Street



**3733**

Kevin & Emmy Nguyen 0.12 acre

**3737**

Gary Hartke 0.12 acre



**3800**

Ralpf Jewell Family 1.63 acre



**3751**

American Legion 0.20 acre

American Legion 0.20 acre



**3801**

Embassy Enterprises,  
Bloomington, 0.23 acre

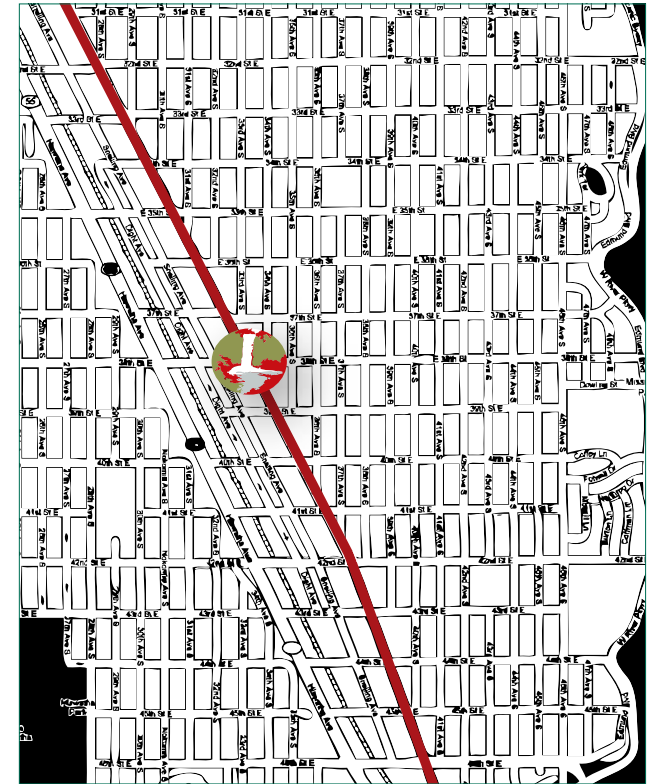


**3801**

Henry Peterson, Las Vegas, 0.24 acre



**3764**

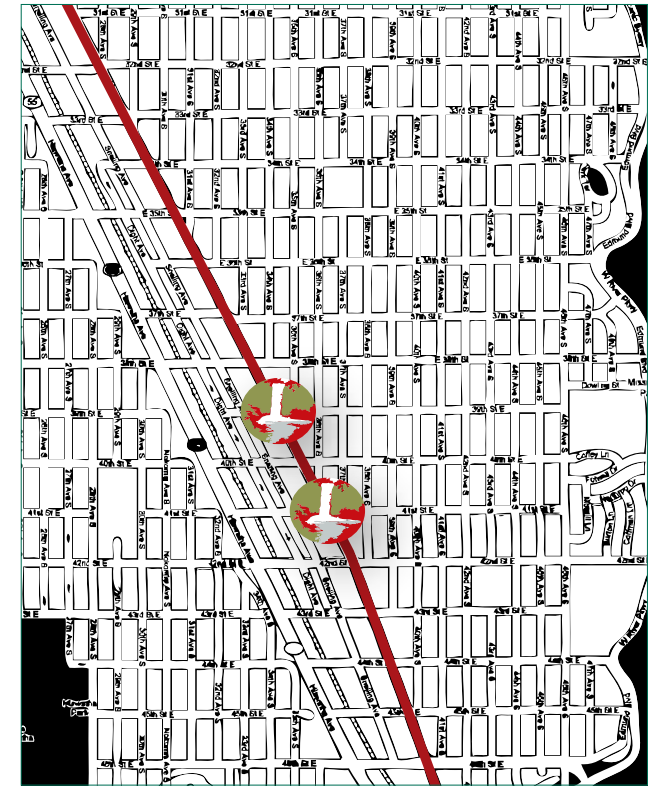






S O S A Inc. 0.22 acre

## 39<sup>th</sup> and 41<sup>st</sup> streets



MLW Properties 0.25 acre



Terrence Bongard 0.15 acre





# 40<sup>th</sup> Street



4004

Perry & Meimei Wong 0.14 acre

Paul Snetting, Chanhassen, 0.14 acre

4008



4016

Claudia Noren 0.14 acre

4012

Rodney Cihlar 0.14 acre



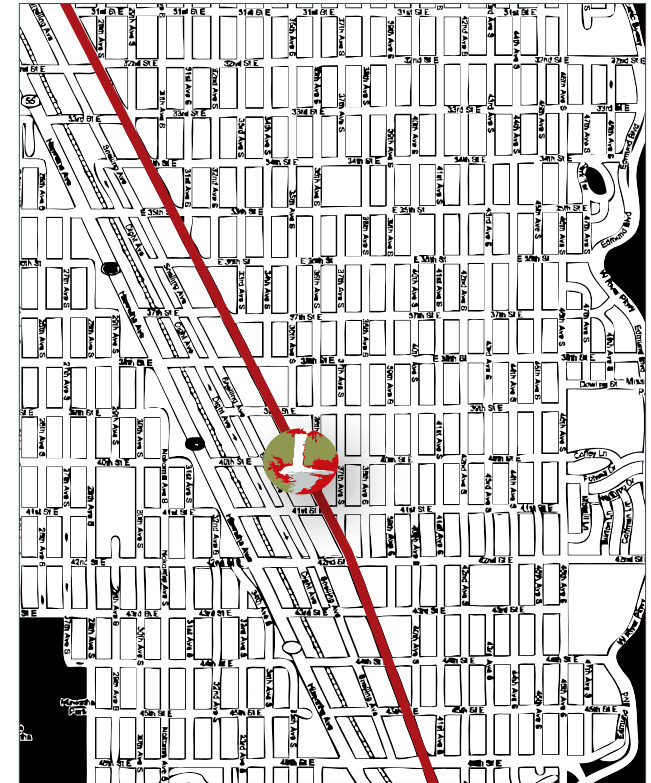
3962

Troy & Donald Bakewell 0.09 acre

DCCH LLC 0.42 acre



4020







4009

Loren Beaudoin 0.26 acre

3960 LLC 0.13 acre

Greg Winter 0.13 acre

Fredrick Negaard, 34th Ave. S., 0.08 acre

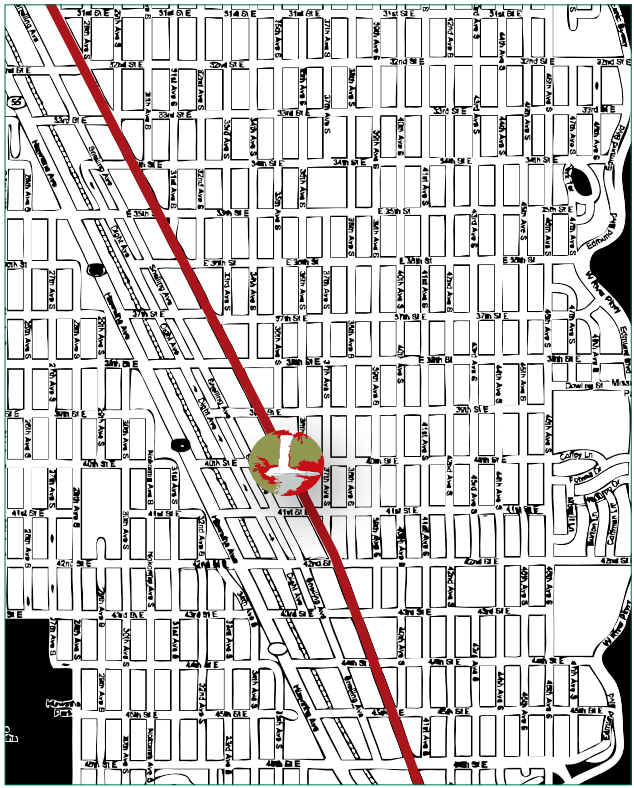


3960

3950



4000





# 42<sup>nd</sup> Street



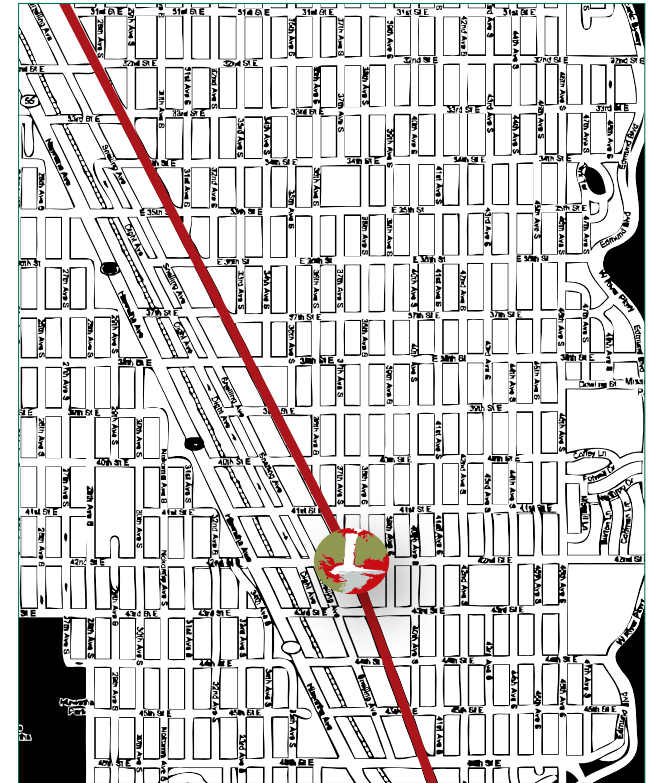
4141

Harold Waterman 0.12 acre

Mabel Nelson 0.08 acre



4165



Jon Dana Goldblatt 0.11 acres, 0.11 acre

Joel Dillner, St. Paul, 0.11 acre

Diane Pahl Strapko 0.11 acre

Mabel Nelson 0.08 acre



4145

4149

4153

4157

4165



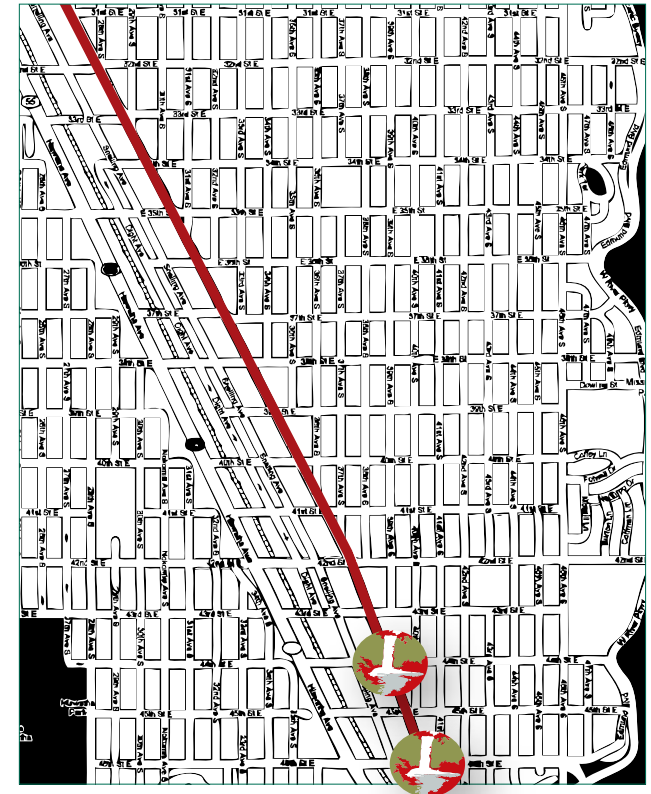
# 46<sup>th</sup>, 47<sup>th</sup> and 44<sup>th</sup> streets



4554

Jeff Hovelsrud, Spring Park, 0.39 acre

David & Judy Santos, Upton Ave., 0.15 acre



4022-46<sup>th</sup>

Bruce & A. Rose 0.06 acre

F.M. Gaertner 0.25 acre



4357

March Enterprises 0.46 acre



4604



4740

